

The week in London and Gilts take limelight

ONLOOKER

With equities suffering from a complete lack of interest what action there was this week was mainly concentrated in the gilt market, helped by better than expected trade figures.

The three week account started on a very quiet note and after small initial gains the market drifted lower with the FT Industrial Ordinary Index finishing just over a point lower. Gilts on the other hand were in more demand and gains of up to 1/8 were seen at the longer end. In an effort to encourage business jobbers marked equities lower on Tuesday but this failed to stimulate any buying and prices fell even further.

This trend continued into Wednesday and before the trade figures the index had fallen nearly 10 points but by the end of the day the fall was reduced to under three points while gilts rose up to 1/2 point. Thereafter equities saw little action with the marketings on Thursday the lowest for the year. But gilts remained strong and the surprise announcement of a new long "tap stock" failed to deter the forward movement.

Trafalgar battles on

Trafalgar House, currently steaming into the new and possibly troubled waters of publishing, reported another solid set of profit figures this week amid strong rumours that the group was poised to acquire Thomson Publications—which includes the Investors Chronicle and magazine stable.

Only once since 1971 has Trafalgar reported pre-tax profits growth of less than 30 per cent. and last year profits increased by 38 per cent. The group has grown rapidly since it first obtained institutional backing as a property company in 1961 and net capital employed increased from £40m. in 1965 to £230m. a year ago while group interests now encompass construction, hotels,

shipping and more recently publishing.

The group has made some good buys on the way including Trollope and Colls and Cementation on the construction side and Cunard in shipping. The recent move into publishing through Beaverbrook and Morgan Gramplan represents a significant step away from existing management experience although the group appears to be showing some signs of getting to grips with the thorny problems of industrial relations and overmanning in the newspaper industry.

Meanwhile construction lifted its profits 14 per cent. last year thanks to a strong overseas order book, notably in the Middle East, while shipping and hotels almost doubled their contribution, the latter helped by almost £4m. of ship sales profits.

Shipping may be more difficult this year (although there may be more ship sales) with world trading still sluggish, while the U.S. longshoremen's strike may effect first half figures.

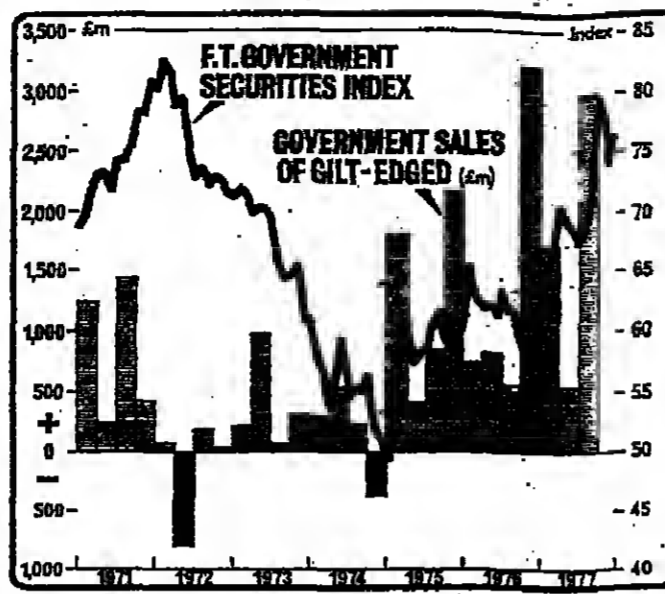
The group's share price has underperformed the 500 share index by almost 15 per cent. in 1977. This may reflect concern about a still relatively high gearing ratio—but with a strong cash flow, borrowings may reduce next year provided there are no more major acquisitions.

Flat drink profits

By and large there was little to cheer in the abundance of results that have been seen this week from the drinks sector. Arthur Guinness came up with virtually unchanged profits at £39.4m. That in itself should not have been too much of a disappointment bearing in mind the warnings half way through the year, but still some analysts had been expecting better things since the poor summer weather should have been good news for stout sales. The problem has been a price freeze in Ireland.

Interim figures from Distillers were more encouraging, showing a £21.1m. jump in profits to £74.3m. The key to the result is exports and higher prices. Sales to the U.S. were up perhaps a fifth in volume as importers rushed to beat the U.S. dock strike. But at home sales slumped—volume for the industry was down 14.2 per cent. in the first nine months of 1977—and Distillers is losing market share. In the second half profits should manage to match the buoyant comparable figures—1977's pre-tax even projections of over £150m. failed to inject any life into the shares.

The market is cautious about



the EEC Competition Department's ruling, expected any time, on Distillers' dual pricing policy in Europe. But nothing is likely to happen in the short term, since the company can always appeal and that could take a year to battle out.

The real disappointment of the week was cider maker H. P. Bulmer. The market knew that cider volume had been hit by the imposition of excise duty in 1976. However it had not reckoned on a 14 per cent. drop in volume taking profits down by 58 per cent. pre-tax. The shares reacted with a fall of a tenth on the week, and the outlook remains unexciting with developments in the U.S. and Germany hardly at the stage as yet to make any material impact on profits.

But it has not been all gloom. The regionals, Greenall Whiteley Vaux Breweries and Greene King have all shown good profit performances regardless of the pressures on beer volume last summer, and there is renewed speculation that the Price Commission will allow a 1p on a pilot price rise for the industry in the New Year.

Timber trends

Those companies of size and with a sufficient range of interest are likely to do better than average this year, is how one leading timber analyst sums up the outlook for the timber groups after the recent spike in high street retail prices.

But as there is little to choose between the prospective earnings multiples of International Timber, Bambergers, and Montague L. Meyer—all running at around 6—the stock market in general is having some difficulty in assessing the trading prospects of individual companies.

Montague L. Meyer this week produced the best figures with

MARKET HIGHLIGHTS OF THE WEEK

Ind. Ord. Index	Price Y'day	Change on Week	1977 High	1977 Low	1977 Close
Ind. Ord. Index	471.9	-14.0	549.2	357.6	471.9
Treasury 10% 1992	273	+12	95	82	273
Anglo-Am. Asphalt	57	-10	85	57	57
Anston Holdings	148	+10	68	43	148
Braithwaite	145	-12	178	67	145
Cons. Gold Fields	172	+8	224	137	172
Dew (G.)	147	+19	156	44	147
F.M.C.	70	-10	117	45	70
Glenlivet	500	+45	505	193	500
Guinness (A.)	180	-16	198	124	180
Honfray	50	-12	44	45	50
I.C.L.	230	+18	252	148	230
K. Shoes	50	+7	50	26	50
Pancontinental	875	+150	113	575	875
P & O Defd.	110	-7	175	109	110
Phoenix Timber	157	-16	198	64	157
Shell Transport	520	-25	635	454	520
South African Land	67	-6	95	29	67
Thorn Elect.	354	-14	448	196	354
Waddington (L.)	228	-24	260	111	228

† Price at suspension.

New York Wait and see

BY JOHN WYLES

IF, as some analysts bold, trading on the New York Stock Exchange at this time of the year sets the psychological tone for the New Year then the outlook is overcast. Pessimism has not been a feature of the past week, but there has been an absence of real optimism, trading by volume has been moderate and on Monday and Wednesday gaining stocks narrowly outnumbered losers, and vice versa, on Tuesday and Thursday.

In other words it has been the sort of week for which the word lacklustre was invented and has left all concerned with Wall Street, including journalists who write about it, fervently hoping that this will not be the prevailing psychological tone for the New Year. On the surface there ought to be good grounds for believing that 1977 will be carried out on the back of a market rally.

The week's economic indicators have broadly confirmed these convictions. The economy is well balanced and heading for real growth of four per cent. or more next year. In particular, retail sales registered a healthy 1.5 per cent. increase last month while October's gain was revised to 2.7 per cent. from 1.3 per cent. The administration's economists are now confident that the economy will manage a growth rate of between 4.5 and 5 per cent. in the fourth quarter of this year.

The only slight cause for immediate anxiety is falling car sales which are continuing a late November trend and were 6.3 per cent. down in the first ten days of December. The only available figures for this period are only with U.S. made vehicles but if sales of imported makes are also proving soft, then anxieties will strengthen about the outlook for America's major consumer manufacturing industry.

None of which, of course, brings any particular impetus to the equities market, which is lacking institutional involvement and which was disappointed by President Carter's failure to refer to the state of the dollar at his Press conference on Thursday.

Some analysts believe that the dollar and the trade deficit are

Mining Australia marks time

BY KENNETH MARSTON, MINING EDITOR

BACKED BY a thumping majority at last week's federal election in Australia, Mr. Malcolm Fraser's Liberal Party allies is set to keep the Labor Party at bay for three more years and, some say, for another three-year government term after that.

But apart from the potential producers of uranium, the mining industry has not been throwing any his into the air. The uranium brigade, who saw little chance of their ambitions being realised in the foreseeable future under a Labor administration, can still work towards an eventual start of mining and export of the nuclear material.

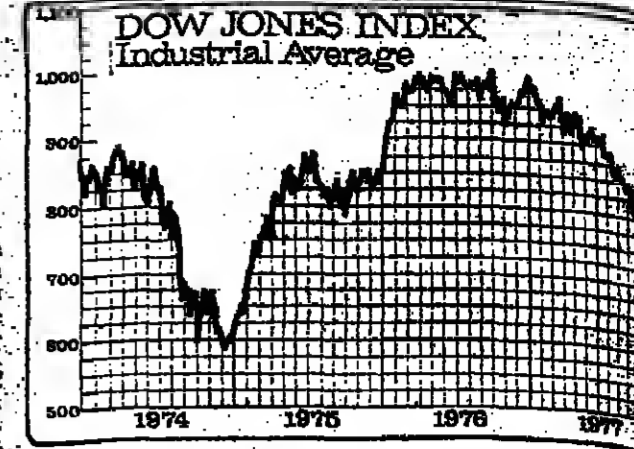
Just how soon this will come about, however, remains to be seen. Mr. Fraser who has expressed his determination to have an Australian uranium industry, albeit that that must pass the most stringent of safety requirements, still has some doubts with trade union opposition.

At the week the executive of the Australian Council of Trade Unions has called on its members to place an immediate ban on uranium exports pending a vote of the rank and file in the industry. Whether the words of the Pancontinental chairman, Mr. Tony Grey, "see that the development is in the country's interest" is another moot point.

Perhaps a little financial inducement may assuage their fears for the future of mankind arising from the mining of Australian uranium. Perhaps, too, they may see the danger of a temporary work surplus emerging in due course if the development of nuclear power capacity lags behind the growing production of uranium by other countries.

At all events, shares of Pancontinental have recovered 150p to 875p this week against a background of continued dullness in the Australian base-metal issues. Mr. Fraser's previous administration did little to stimulate their prospects and they still have to live with depressed markets for their product.

There seems little future, for the ill-fated Blue Spec antimony gold mine in



important factors keeping investors out of the market with special concern concentrating on the effects of certain imports on unemployment coupled with the falling dollar. Moreover, the trade talks with Japan have so far failed to raise any firm hopes of success and whatever finally emerges will be met with strong scepticism by many analysts who doubt Japan's ability to meet its growth targets and its determination to curb its trade surplus.

This is some of the background to a recent survey of securities executives by U.S. News and World Report which revealed only cautious optimism about the prospects for 1978. More than 60 per cent. of those questioned thought that stock prices would move moderately upward next year when the first six months would, in the opinion of the survey, see a slow rise in activity. More than 70 per cent. thought that consumer spending would increase either at the rate that 6.5 per cent. (same) or would remain about the same (43.3 per cent.). Most opinion put the Dow Jones Industrial Average at between 850 and 950 in mid-1978.

CLOSING DJIA

Day	Close
Monday	815.75
Tuesday	812.23
Wednesday	822.68
Thursday	817.91
Friday	815.32

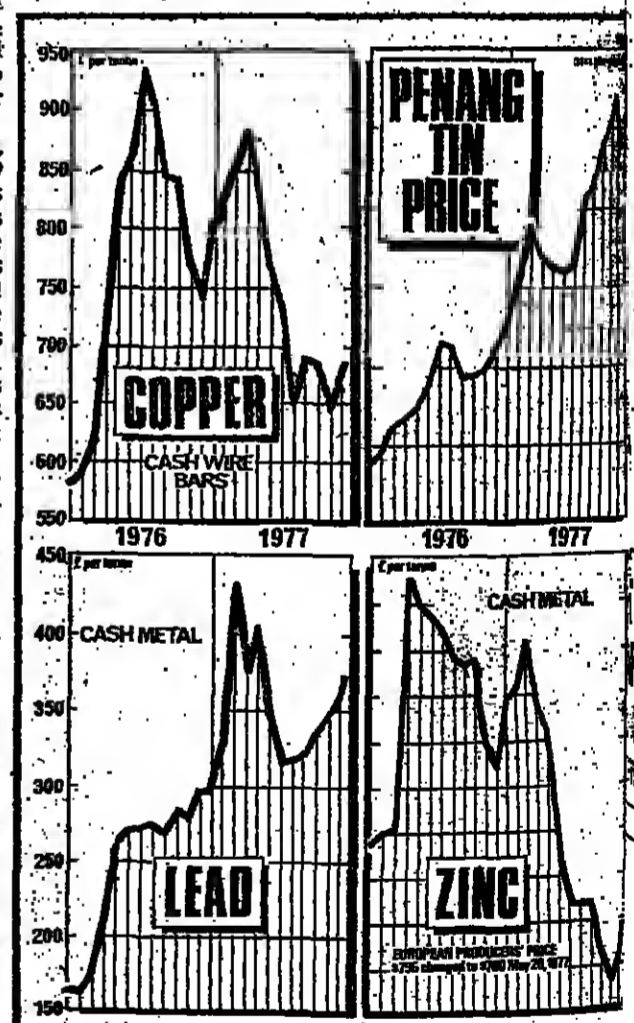
Crofty Cornish tin mine to an eager public. Thanks to the high price of tin the latter is on the way to fulfilling its promises of a year 1977-78 pre-tax profit of £2m. and a dividend total of £125p.

Also reporting on the half-year stage of its financial year, Saint Piran has declared an interim of 1.25p net and has said that it intends to bring the year's total to 3.75p subject to a relaxation of the U.K. dividend restraint requirements which are due to expire in July under the present rules the maximum permitted dividend total would be 1.95p.

Finally, old hopes stir anew in deep Devon. In one of the hills overlooking Plymouth it to be found a partly-worked nrebody, Hemerdon Hill, which contains tungsten, tin and china clay. British Metals, on whom was examining its possibilities in the mid-1930s and hopes of full-scale development have been blowing hot and cold the years.

They have warmed up this week with the announcement of a joint venture between Hemerdon and Smelting and Amalgam, the latter being to earn a half share in the company by carrying out a work programme and providing a good deal of work needed before the mine can be rated as a paying proposition, however.

Meanwhile, the new tin already applied for its licence to be traded 'over the air' in New York. If this successful a London listing would be sought in due course.



TV Radio

More Time. 12.30 a.m. News, Weather for Scotland.

BBC 1

9.15 a.m. Bargains. 9.30 Swap Shop. 'Phone in on 01-811 8035. 12.13 a.m. Weather.

12.15 Grandstand: Football Focus (12.20); Racing from Ascot (12.45, 1.30, 2.15); Badminton (1.00, 2.00); International Table Tennis (1.15, 2.35, 3.50); International Show Jumping (3.00, 4.20); 4.40 Final Score; FA Cup Draw (4.05).

5.10 Tom and Jerry. 5.20 News, Weather. 5.30 Sport: Regional News. 5.35 Basil Brush. 6.05 Dr. Who. 6.30 Bruce Forsyth. 7.25 Duchess of Duke Street. 8.20 The Two Ronnies. 9.05 Starsky and Hutch. 9.35 News, Weather. 10.05 Match of the Day. 11.20 Weather.

All Regions as BBC 1 except at the following times:

Wales—8.50-9.15 a.m. Rannlas Bach—07. For-nach 12.30 a.m. News, Weather for Wales.

Scotland—1.55-3.10 p.m. Scoreboard. 3.30-3.35 Scoreboard. 10.05 10.35 Sportscene. 10.35-11.20 One

9.15 a.m. News. 9.30 Swap Shop. 'Phone in on 01-811 8035. 12.13 a.m. Weather.

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BBC 2

12.05 p.m. Cinema: "Under the Clock, starring Judy Garland.

4.35 Play Away. 5.05 Horizon 2002. 6.00 Open Door. 6.30 Sight and Sound in Concert (simultaneous with Radio 1 stereo).

7.30 News, Sport, Weather. 7.45 Lively Arts: "The Barber of Seville".

10.20 Film: "Milady" starring Jacques Dutillou. 11.45 News, Weather. 11.50 Movie: "Two Weeks in Another Town" starring Kirk Douglas.

LONDON

8.55 a.m. Junior Pops 5. 9.00 Our Show. 11.00 "Carry On Admiral".

12.30 p.m. World of Sport: 12.35 On the Ball; 1.00 International Sports Special: Ice Hockey; 1.10 News; 1.20 ITV Seven; 1.30, 2.00, 2.30, 3.00 Nottingham; 1.45, 2.15, 2.45 Caterick; 3.10 International Sports Special; 3.30 Round-up; 4.00

ATV

9.00 a.m. News. 9.30 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 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Our savings and investments

Changes proposed in CGT

ADRIENNE GLEESON

THE ARE moves afoot to fund—the unit and investment structure of capital trusts. In Now at the moment anyone there have been moves who invests through a unit or it since the Treasury investment trust can look for a tax in its present certain capital gains tax concessions which are not open to the allowance for the impact of the bold adventurer in other equities. The liability to tax on any unjust if taxes gains which him and the trust, and the trust agreement is what to do the basic rate of tax (that is, 17 per cent. at the moment). The in- discussing the proposals investor's own bill for capital various people have put gains tax may be reduced by and among them some commensurate percentage, so ar and at first sight sum- maximum liability would be 15 per cent. (that is, capital gain- recommendations from per cent. (that is, capital gain- through the mutual tax at 30 per cent. less a tax

credit of 17 per cent.) But many people won't pay even that. They won't pay it, for ex- ample, if they happen to be, not an individual investor but an exempt fund, like a pension scheme or a charity. They won't pay it if they happen to be an individual investor with dis- posals bringing in less than £1,000 in that tax year—in that case they don't pay any CGT at all. They won't pay it if their taxable gains come to less than £5,000 and it's worth their while to invoke the "half income rule"—under which half those gains will not be taxed, while the other half will be taxed as investment income at half their

marginal tax rate. Not until they exempt fund can claim it back, incurred (and settled) any pay marginal tax at 60 per cent. either. And naturally, the possi- bility to CGT. But the pro- munist they face the disagree- able makes a holding in an invest- ment or a unit trust less attrac- tive than it might be otherwise. They would rather invest direct. And hence—so runs the argu- ment—the bids for British In- vention Trust and Edinburgh & Dundee.

All of which makes a holding in unit or investment trusts dis- tinctly more attractive in tax terms than most other forms of short-term equity investment. Why then do the mutual fund investors want to meddle? They argue that these tax concessions are a lot less carry- over than they look. Take the situation of the investor who might claim exemption in respect of all disposals of up to £1,000 in the year. He incurs no liability to CGT—but the trust has paid CGT regardless, where there has been disposals at a profit. fact it isn't quite as simple as that. It has, it is true, paid CGT at that rate, but there is the moment investors may claim no way the individual can claim their 17 per cent. tax credit that back. There is no way an whether or not the trust has altogether. Some hope.

Income stocks

THIS IS a piece for the mean and lowly among you—mean and lowly in terms of income, at any rate.

What you need to give your- selves for Christmas is some form of investment that will provide you with a good and regular flow of cash. If you really are counting the pennies then it had better be something that will provide that cash gross, too—don't, for example, leave your money with a build- ing society, which will provide you with income tax-paid. Now the Government stocks listed below fulfil both of these requirements. They are rela- tively high yielding invest- ments, and you can buy them all through the Government's National Savings Stock Regis- ter, which means that you will get your interest paid gross. That could be worth a lot of money. Let's suppose that you and/or your wife are over 65, so that you qualify for the age allowance on income tax, and that your only income apart from anything you can get on your savings is the old age pen- sion of £1,300 a year. That means that between you you can receive another £675 a year free of tax—the income on £6,750 of savings, assuming that you're investing for a yield of 10 per cent. The same amount put into a building society, will provide more than you need to pay 9 per cent., which is better —because the tax on that investment has already been and they pay it gross as well.

History of small investor

to free lunches the growth of my portfolio, up on a consistent policy of buying high-yielding shares for recovery, my initial investment of some £3,000 in shares—supplemented by some £12,500 in seventies—to October 25, 1977, when market value was £113,083.

This is the final instalment (for the time being) of a saga which began with the Investment by Mr. A. H. Carter of £1,000 in the early fifties. Previous instalments may be found in the Financial Times on the Saturdays between February 12 and March 12, 1977, and last Saturday, December 10.

fully reflecting available information, are "unbiased estimates" of "fair" market values. Hence, if the current price is not a "fair" one it is just as likely to be above the "fair" price as below it. Thus, no investor can beat the market in the long run.

The London stock market is efficient, says Mr. Stern, because it is dominated by sophisticated investors, none of whom has a monopoly of price-sensitive information, and "in reality, sophisticated investors rarely out-perform the market." But since its formation in 1969 the M & G Recovery Fund, ignoring yield considerations and reinvesting its income (luxuries I could rarely afford), has consistently and decisively outperformed the market.

I owe to Mr. H. C. Farrington, FCA, the fruitful idea that the performance of depressed high-yielders as a class can be exhaustively checked, against market indices so as to test the hypothesis of an efficient stock market. He has listed the 87 companies (shares quoted in sterling) which were shown in the FT as yielding at least double the average FT

30-share Index yield (7.99 per cent.) on October 29, 1976, and which had fallen in price by at least 50 per cent. from their respective highs achieved since January 1, 1975. By October 29, 1977, the shares of these companies—despite three apparently total losses—had appreciated by an average of 112.7 per cent., compared with the FT 30-share Index gain of 84.1 per cent.

More striking is the performance of the 12 companies listed by Mr. Farrington which were shown in the FT as yielding at least 12 1/2 per cent. on March 2, 1976, and which stood at least 50 per cent. below their respective highs since January 1, 1975. Despite one apparently total loss, the average gain in market value by October 29, 1977, was 114.8 per cent., compared with an FT 30-share Index gain of 30.4 per cent. and an All-share Index gain of 39.7 per cent.

Two swallows do not make a summer, and professional analysts might care to make similar tests over say the past 15 years and measure the performance of batches of depressed high-yielders relative to the market over the three years from each commencing date that I always considered appropriate for recovery.

If such further research confirms that the entire class of depressed high-yielders has usually outperformed the market over the three-year recovery periods specified, then the

higher returns obtainable from a portfolio comprising a selection of such shares, chosen at random, would be attributable, not to the acceptance of greater overall risks, but to consistent under-valuation by the stock market of this class of share.

Little expertise in the shape of security analysis is required to improve on the results obtainable from random selection. Who would not have opted in October, 1976, for sector leaders on a 20 per cent. yield—like Barratt Developments and UBM, rather than Slater Walker, despite its 100 per cent. yield? Nor did one need price-sensitive information to buy Burton Group at 31p, its net asset value being over 300p per share and net income from its property investment subsidiary being equal to half the cost of group dividends, or J. Lyons at 31p, its mountain of foreign debt being amply covered—unlike Oatfield—by the market value of its highly successful overseas subsidiaries.

Every schoolboy knows (see Macaulay's Life of Clive) that no one (and least of all the Inland Revenue) values a successful company on the basis only of net tangible assets. And if the Lyons share price was driven down to an unrealistic level by that sinister-looking £80 millions of goodwill in the group balance-sheet, what were all those sophisticated investors doing whose activities are said to dominate the market?

Life—forgotten by Santa

IS not much cheer this in the property market has generated more interest in the olders. Santa Claus, remaining property assets of person of Gerry Weiss the company. He has sold or is liquidator, has written to negotiating the sale of properties for a value of about £1.8m, since the last dividend payment in April. This included the notorious Bournemouth "com- plex" which precipitated the crash and which has been sold to a single buyer, presumably as an ongoing investment. But then comes the bomb- shell in the letter. The liquida- tor is having to keep a substan- tial sum to meet the company's potential tax liability. One's sympathy must go to policy- holders, who are getting none of this accumulated amount from Government departments. The Department of Trade has creamed off over £300,000 in fees, the liquidator has received at least £1m. on all expenses—have taken another £430,000—over £1m. in all. Liquidator's Christmas £430,000—over £1m. in all. starts off with some Policyholders are expected to get back only 75p for every pound on the value of their tracts. Liquidation is indeed an expensive business.

To add to the gloom, the discussions with the Revenue on the tax point have just started, so policyholders can expect to wait a long time to hear the outcome—although they should be used to waiting by now. The intervals between dividend payments are getting longer, and the payments them- selves smaller. One wonders whether the insurance chiefs, who refused to rescue the company, will sleep easy over Christmas.

However, let us end with some good news. The liquidator has received a second dividend of 5 per cent., amounting to £79,000, from the liquidators of International Credit Bank of Geneva, and expects to get substantial further payments. Every little helps in cases such as these.

ERIC SHORT

DON'T MISS THE NAP SHARES FOR 1978

See how IC News Letter selections performed in previous years

Year	FT INDEX	IC.N.L. Naps
1957	- 7%	+ 38%
1958	+ 34%	+ 54%
1959	+ 50%	+ 112%
1960	- 11%	- 10%
1961	- 1%	+ 34%
1962	- 6%	- 3%
1963	+ 14%	+ 36%
1964	- 12%	+ 10%
1965	+ 4%	+ 15%
1966	- 11%	+ 22%
1967	+ 24%	+ 42%
1968	+ 29%	+ 58%
1969	- 20%	- 4%
1970	- 18%	- 22%
1971	+ 39%	+ 56%
1972	+ 5%	+ 74%
1973	- 32%	- 16%
1974	- 52%	- 27%
1975	+ 131%	+ 300%
1976	- 4%	- 6%
1977	+ 35%	+ 73%
Average	+ 9.2%	+ 39.9%

At the beginning of every year the Investors Chronicle News Letter selects a list of shares for capital gain over the following twelve months—its selections. The table above shows the 12-month performance of each year's Nap over the last 21 years. If you had invested £1,000 in the 1957 Nap and reinvested the proceeds at the end of each year at the annual rate of your initial £1,000 would now be worth £205,646 (before gains tax and against a mere £2,199 if you had invested in the FT index. In addition to its traditional Nap Selections, the IC News Letter gives regular recommendations. The overall record shows that these selections have led by a wide percentage margin averaging into double figures on an annual basis. The News Letter also has an impressive track record with its general selling advice over the years, as confirmed by the many appreciative letters from subscribers, and it has extended this to other important areas, including overseas stock exchanges, fixed-interest deposits and other markets of interest to investors. The IC News Letter, published every Wednesday, is available on postal order only. Use the coupon below to order your subscription, now. Regular subscribers describe it as their best investment ever.

Send me the News Letter for 12 months, with the January 4, 1978, issue. Enclose £1.00. I enclose £1.00 for one year (£12.00 annual outside UK) (includes £2.00 binding) £2.00 for six months (£12.00 annual) £2.00 for three months (£6.00 annual) (please tick appropriate)

Name: _____ Address: _____ Postcode: _____

ICNLT/77/12/1977

Old Abbey

BIRTHDAY PARTIES are usually fun, and that given on Wednesday by Abbey Life to celebrate the 10th birthday of the property fund was no exception. There was even a birthday cake, adorned with 10 candles for chairman Fred Richardson to blow out. It hardly seems so long since property bonds first appeared on the scene. Readers with retentive memories will recall that property investment was to be the answer to investors' prayers for an inflation-proof asset. The arguments, irrefutable on paper, concluded that property values would inevitably continue to rise, ad infinitum. Investors who took the plunge with Abbey back in October 1967 have earned about 7 per cent. per annum net on their outlay over the first 10 years, allowing for net reinvested income. The Retail Price Index has grown by 11 1/2 per cent. per annum over the same period. But Abbey's return is about on par with a traditional life contract. The inference is that property will provide a steady return over the long term, but don't expect fireworks.

Final demand

ALL YEAR, employers and employees have been bombarded with advice on the implications of the new State pension scheme, scheduled to start next April. Well, this is the final reminder. It is the last week in which employers can make up their minds on whether or not to come out of the State scheme. If they don't employees will be in at the start next April by default, since there will not be time to complete the statutory three-month consultation period needed before the decision to contract-out can be implemented. So if your employer still has not told you of his intentions, remind him tactfully on Monday.

Q. Who has 4 hotels in the world's top*30?

(Holders of the coveted Diploma of European Excellence)

A. Trust Houses Forte!

George V, Paris (Gen. Manager, André Sonier)
 Plaza Athénée, Paris (Gen. Manager, Paul Bougenatux)
 The Pierre, New York (Gen. Manager, Henri Manassero)
 and now...
 The Hyde Park, London (Gen. Manager, Willy Bauer)



* The Diploma of European Excellence is awarded only to top international hotels by the Comité de l'Excellence Européenne.

Finance and the family Insurance Insurers' bureau

Guarantees and usage

BY OUR LEGAL STAFF

When purchasing a television receiver, it carried the usual guarantee as to parts and maintenance...

replacement etc. free of cost for parts and labour would leave the door open to a claims for travel.

Effectiveness of a will

A document was drawn up in her own handwriting by an old lady, a resident of Scotland, who used a specimen will as a style and subscribed it at the bottom.

We consider that you may well be correct that the will has testamentary effect. Normally, one is not entitled to examine the circumstances in which a formal document has been framed...

Trespassing cattle

My property adjoins agricultural land at present used for accommodation land for cattle.

Naming of streets

Could you please indicate what powers the Post Office and local authorities have with regard to naming or renaming streets?

Joining a pension scheme

I am 35 and work in a job with no pension scheme. Am I eligible to join a personal pension scheme and qualify for full tax relief on the premiums?

If you join a company with a pension plan it pays you to join the plan and make your deferred annuity policy paid up.

into a good pension scheme. In practice he may well decide that you are a nut case and that if you are too stupid to understand the value of a gift of this size then you are likely to be stupid in other respects relating to the job you would have to do and hence be an unsuitable person to employ.

Good taste and planning

The Local Planning Officer has claimed that he is "not an arbiter of good taste," and he has disclaimed responsibility for the erection of a building

so grotesque that it is known locally as "the prison." Are not local residents entitled to expect the Planning Officer to protect to a reasonable extent the character of an area?

The planning officer is correct in his interpretation of his function. If he cannot be prevailed upon to reject a design as not being consonant with the character of the neighbourhood, he cannot be required to refuse to approve a proposal on the ground of taste alone.

Gilt edged interest and tax

I bought £1,000 nominal 9 per cent Treasury stock about half way between the interest dates and therefore paid £20 odd "interest" on purchase.

ment fell due

Your puzzle results from the Stock Exchange practice of quoting the prices of short-dated British Government (and certain other) stocks on an unusual basis as explained in the Daily Official List...

No legal responsibility can be accepted

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Taxation

No such thing as a free lunch

MEN WHO make taxes are not reasonable men. Reasonable in its modern, Clapham omnibus, sense they can hardly claim to be in the face of the number, complexity and rates of taxes to-day.

voucher or vouchers are issued to a greater amount, the first 15p is taxfree, and the excess is taxable as income of the employee.

Lions not being remembered for its reserved areas, this can only be taken as an enlargement of the first statement.

The Revenue's interpretation of this wording is rigorous. Directors may eat only on the business premises, despite Parliament and the Chancellor having decreed differently a year earlier.

Gardening

Festive Poinsettias

OF ALL the Christmas flowers the one that fits most perfectly into the festivities of the season, vying with the native holly berries in brilliance of colour, is the exotic poinsettia.

plants notable for their form and their restrained colour which presents no problems of association.

of tacky white latex which oozes out freely when they are severed. This can be hazardous for cuttings and to check the bleeding they should be dipped in finely powdered charcoal.

But in warm, dry rooms peat dries quickly so do not forget to inspect poinsettias daily and water any that look in need of it.

Chess

THE ANNUAL flood of Christmas books has slowed perceptibly this year, to some extent because of the economic recession but more because it is becoming harder for publishers to dream up original titles with a sufficiently broad appeal.

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Bridge

LET US to-day look at a hand from a famous match at international level, which was played many years ago:

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Insurers' bureau

JOHN PHILIP

IF YOU are a motor policyholder, you are contributing to the funds of the Motor Insurers' Bureau and making certain that money is available to compensate the injured victims of road accidents which are caused either by uninsured motorists or by hit and run aod, therefore, untraced motorists.

With the untraced mot type of claim, usually a greater degree of detailed investigation is required, establish first of all the cause of a motor accident, and determine degrees of fault.

Nowadays every insurer transacting motor business in the U.K. has to be a member of MIB and has to make contribution to MIB funds in proportion to its premium share of the motor insurance market.

But, of course, everyone of us, motor policy holder or not, must at some time venture out of doors as pedestrians, and all of us are potential road accident victims.

Originally, just after the war, the MIB was set up to deal particularly with injury claims against uninsured motorists whose identity was known and who could, by due legal process, be clear that the hit and run motorist was just as much of a social - political - insurance problem, and so over the years the bureau has dealt with many compensation applications of this type.

The investigation of both types of claim is undertaken, not by the small bureau staff, but by the claims staffs of a number of motor insurers—the "handling offices" as they are called. Both investigation and negotiation are conducted under the general supervision of the MIB council but within well-established procedural lines, which differ according to whether the claim is one against an uninsured motorist or in respect of an untraced motorist.

When its investigations are complete in the case of an untraced but known motorist the handling office negotiates a settlement with the claimant or his legal advisers bearing in

mind all the appropriate rules dealing with fault liability assessment of damages, and on. The claimant if he is satisfied with the proposed settlement always has a remedy that he can use the insured motorist and find what damages a judge would award him, knowing ultimately the MIB must be satisfied with that judgement.

I was guilty of some error on last week's second hand original North-South but did not bid beyond three and the declarer, played, and with no late an overtrick, did discard heart Ace. To make the most interesting, I altered contract to four spades then through mental she gave the play as it occurred—for this my apologies. Of course, South the heart Ace, cashes five clubs and leads a diamond.

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Lucia van der Post

How to spend it

by Lucia van der Post

Christmas baubles

EVERY I always think is the truly present—it has overtones of special feelings and general from the man's point of view it is expensive but it does save all the painful business of doing up the tree to see who is approximately one of the best-loved. Jewellery from rings which can always be worn is safest. It is also relatively to choose as you just observe what normally wears—the chances are her in jewellery changes little. If delicate and fragile is what she usually goes for, don't think the heavy and chunky likely to please her, however much they think she langes for a change. The nicest small jewellery shops in London are, in my view, BOOTY, 2a, New Street, London W1; JONES of Beauchamp Place, London SW3; JEWELLERY GALLERY of 94 Fulham Road, London SW3; and, for those who like avant-garde jewellery, much of it being, there is ELECTRUM, South

Molton Street, London W1. Personally, I love antique jewellery, and for this I would go to CAMEO CORNER, 26 Museum Street, London W1, and 8c/22 New Bond Street, London W1. ANNE BLOOM has some delectable offerings though nothing is cheap—little lockets start at £100 and a particularly beautiful pearl and gold cross is £2,500. She is at 4 Grosvenor Street, London W1. RICHARD OGDEN, in the Burlington Arcade, has a most wearable and not excessively priced collection of both antique and modern jewellery of all sorts. I don't have much personal experience, but it is interesting that they are all trying hard to introduce a much warmer, more welcoming atmosphere into their hitherto overly hangary shops. Many of them are introducing a boutique range in order to open up their shops to younger, though still well-heeled, customers. At BOUCHERON, 180 New Bond Street, London W1, for instance, in their bo-

tique collection there are new gold paper clips from £25, several gold pieces in 18-carat gold for less than £100 and, the ones I really fell for, fine gold chains interspersed with delicate diamonds, starting at £660. M. GERARD is fairly new to London; his shop opened last year, but for large and beautiful stones, whether diamonds, sapphires, emeralds, he seems to have quickly established a notable international reputation. There is so much beautiful jewellery about at the moment that it is almost impossible to do it justice in the small amount of space I have here. I have selected three pieces to show—gold and diamond bracelets which are not out of this world in price, simple but charming inexpensive simulated pearl necklaces within the reach of everybody and, finally, cuff-links for the man of the house—after all, he ought sometimes to have something really good to wear, too.

POST-CHRISTMAS entertaining is inclined to be informal with people issuing and taking up invitations to "drop round for a drink or meal sometime over the holiday." This is a style of entertaining I enjoy enormously but there is no getting away from the fact that casual entertaining, just like casual chic clothes, requires considerable forethought if it is to be carried off well. Yourarder (and freezer if you have one) needs to be well stocked; and the foods must be carefully chosen to cope with uncertain numbers and timings. People you expect often fail to make it or arrive hours late, while others you have forgotten about turn up on the sixth day of Christmas looking decidedly hungry. Fresh foods which go "off" if not eaten within 48 hours of purchase are out—the chances are they'll prove fodder for the dustbin instead of feeding your friends. And this is no time for temperamental dishes which curdle or turn leathery if they have to sit in the oven for an extra hour.

After the banquet is over

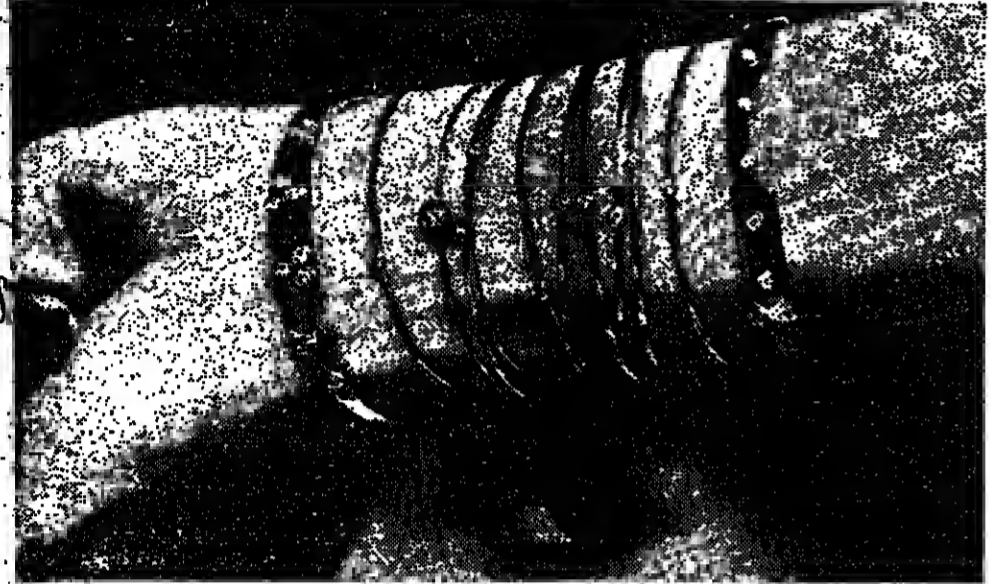
BY PHILIPPA DAVENPORT



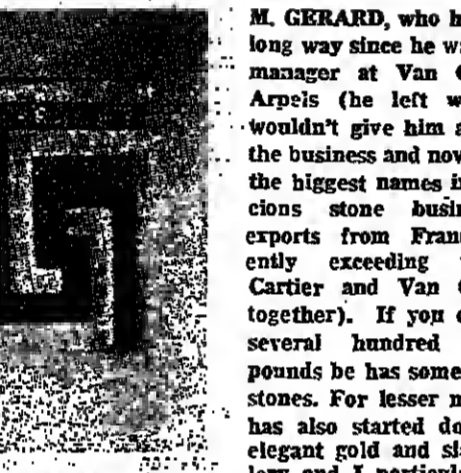
This drawing comes from Robert Carrier's lovely new cookery book, Entertaining, published by Sidgwick and Jackson, price £6.95.

TURKEY CROQUETTES is another good rechauffe dish and a winner with children. It requires more effort than the other two turkey dishes given here but it freezes well. So if you make it, it is sensible to make large quantities. Quantities given here will serve 6-8. Make a white sauce with four tablespoons each butter and flour and 1 pint milk. Away from the heat stir in 4 tablespoons grated cheddar, 1 tablespoon dried tarragon, 1 lb cooked, skinned, boned and very finely chopped turkey meat, 1 lb finely chopped ham, the lightly beaten yolks of four eggs and some salt and pepper. Spread the mixture over a baking tray, cover and refrigerate overnight to set firm. Divide into 15 portions and roll into neat sausage shapes. Dust each croquette with flour, dip into two eggs beaten with milk and roll generously with stale white breadcrumbs (you will need about 1 lb). Deep fry for about three minutes and drain well on soft kitchen paper. Winter puddings Dried fruit is useful to keep in your store cupboard and so are cans of chestnut puree, dried bars of Mincier chocolate. They take up little storage space and are the basis of winter puddings which are as delicious to eat as they are easy to make.

Suggested December menus table with two columns: Spinach soup with croissants, Pigeon pie, Orange salad, Turinns; and Pigeon pâté with melba toast, Christmas pie, braised chicory and sprouts with hazelnuts, Hot fruit compôte with meringues.



DIAMONDS are her thing. I can't personally think of a more attractive combination in jewellery than diamonds and gold look out for the De Beers Collection group of jewellery—it is insistently high standard design as well as being by desirable. Prices are exorbitant—for instance a diamond necklace (with 14 diamonds set into a 14 karat gold case, all hung in fine gold chain) is £550 the collection is to be found in jewellers all over the country.



A CHARMING, not very expensive piece of jewellery, which there is still time to order by mail or by phone, is a 22 inch necklace (above) of very nice simulated pearls interspersed with semi-precious stones. You can choose the stones or the colouring (there is agate, jade, chalcedony, rhodochrosite, malachite or coral). They look lovely and the different colourings give each one its own special look—the delicate pink rhodochrosite looks fragile, the darker agate looks more sophisticated and so on. Each necklace is £3.75 and you may see them personally by appointment at JH Originals, 22-34 Sloane Court West, London SW3 or order by mail (add 50p p & p) or by telephone, 01-730 3384.

First courses Soups always provide a warm welcome so I bulk freeze in advance and reheat from frozen as needed. Croissants make a nice finishing touch but are a messy last minute job so I make large quantities in advance and store in an airtight tin, then simply reheat and crisp in the oven. Melba toast stores well too—and I find the freezer so good for fresh bread that I've done away with my bread-bin. Other useful standbys include eggs and cream for omelets en cocotte, ham, asparagus, mushrooms, mussels, pigeon pie and duck (recipes for the last two were given in this column on December 3).

Fruit and vegetables Salad ingredients that keep well and are quick and easy to prepare include carrots, celery, chicory and avocados. (I make

large jars of vinaigrette and mayonnaise in advance and use the egg whites for meringues.) I like to have plenty of potatoes for baking, celery to go with the Sultana, and lots of fresh fruit end nuts.

and chopped anchovies, a good seasoning of black pepper and lemon juice and a little salt. (Go carefully with the salt in this dish as the meats and fish contain quite a lot anyway.) Make a cheese sauce with two tablespoons each butter and flour, 1 pint milk and 4 oz Parmesan. Away from the heat blend in 1 pint single cream, season with nutmeg, pepper and a little salt, and stir in 6 oz cooked end drained macaroni.

TURNOIS takes no more than 10 minutes to prepare but then seeds about 8 hours to chill end set. It is very rich but a little dried fruit compôte serves plenty of pouring cream with it. Cream together 1 lb each unsalted butter and vanilla flavoured castor sugar, thoroughly beat in 1 lb canned chestnut puree and 1 lb plain melted chocolate turn into a small, lightly oiled tin, cover and chill. Turn out to serve.

DRIED FRUIT COMPOTE is equally good hot or cold—and there's no need to soak the fruit overnight. To serve 10-12, I pour 1 1/2 pints tea into a flameproof casserole, add two cinnamon sticks and the juice and zest of 4 oranges (or replace some of the orange juice with a few tablespoons of liqueur). Bring to the boil, stir in 3-4 tablespoons soft dark brown sugar and, when dissolved, add 2 lb dried fruit (1 lb apricots plus 1 lb each prunes and figs makes a good combination).

Bring the liquid back to simmering point, cover and simmer for 5-7 minutes. Discard cinnamon, push the fruit well down into the liquid, cover and leave in a cool place. By the time the dish is quite cold, the fruit will be perfectly tender. If time permits, then refrigerate the compôte—the longer you give it, the more syrupy the liquor becomes. To serve cold, loosely peel the fruit and liquor into small glasses. Slowly pour 2 tablespoons thin cream over each so that it dribbles down between the pieces of fruit and top with a scattering of pine nuts or shredded almonds. To serve hot, simply reheat the casserole gently, sprinkle with nuts and serve cream separately.

found at Boots, Jewellery, 2a, New Bond Street, London, W1. The fine ones cost £125, the ones with more diamonds cost more.

M. GERARD, who has come a long way since he was general manager at Van Cleef and Arpels (he left when they wouldn't give him a share of the business and now is one of the biggest names in the precious stone business, his exports from France apparently exceeding those of Cartier and Van Cleef put together). If you can afford several hundred thousand pounds he has some beautiful stones. For lesser mortals he has also started doing some elegant gold and slate jewellery and I particularly liked these cuff links for men (left)—they are £260 the pair from M. Gerard, 13 Grafton Street, London W1.

performed delights and for those who hate mixing their scents this makes it very easy to surround oneself with an individual perfume of one's own from a room mist spray right through body shampoos, perfumed cushions and on to toilet waters and the perfume proper.

ROMAN PIE transforms cold meats into a stunning looking, moist and well-flavoured dish. It's very easy to make and quick to arrange the top layer of meats decoratively so that they glow like a mosaic under the aspic. For 8-10 people, sauté 1/2 lb mushrooms in a little butter, then mix with 1-1/2 lb cooked, skinned and boned turkey meat cut into slivers. Stir in a can of drained

packet of puff or flaky pastry. I shape it into a large ring (using my largest round serving dish and a dessert plate as templates) then use the central circle of pastry and other trimmings to make flurons. Brush generously with beaten egg and bake at 225 degrees F gas mark 7 for 25 minutes. Meanwhile make a sauce with 2 oz each butter and flour and 1 pint each good turkey stock and milk, well seasoned with salt and pepper. When smooth and bubbling, stir in 1 lb cooked,

skinned and boned turkey cut into chunks, cover and leave to simmer gently for five minutes. Sauté 1 lb sliced mushrooms, drain well and add to the sauce together with 6 oz ham or tongue cut into strips and 6 oz drained end chopped canned red peppers. When well heated right through, remove from the heat, blend in plenty of lemon juice and check seasoning. Mound the mixture into the centre of the puffed up pastry ring and arrange the flurons over the meats and round the edge of the dish.

be bought, but Londoners, or those coming here over the Christmas period might like to know about Clerkenwell Promotions. Set up by the tenants of Clerkenwell workshops, who are all artists or craftsmen, it is designed to help link up their work with the public. There is a showroom at 31 Clerkenwell Close where continually changing exhibitions of their work are put on and much of this work (but not quite all) is on sale to the public. Among the work to be seen is that produced by stained glass windows in the drawing above, of a stained glass window by Celia Frank, who sells stained glass boxes for £130.00 but will do windows to order, silver-smithing, jewellery and pottery. You could also buy a herpsichord or a skateboard, a piece of furniture or get the furniture you already have repaired, polished or restored. The showroom is open from Monday to Friday, 10.00 a.m. to 6.00 p.m. and on Saturdays from 10.00-12.00 p.m.

has been a bumper year for new scents and so many of them have been really lovely. Choosing scents as scents isn't always easy as many women have their own favourites and don't really use anything else. If you know you like experimenting then I think the best new scents to be launched this year were Dior-Dior by Christian Dior. It is very elegantly packaged—which I think is particularly important with scents in brown and gold and though it's not impossible to describe scent, if I did I would say it was "light, sophisticated yet fresh." At £11 per 120g. bottle of Eau de Toilette it is near the expensive end of the scent market. One by Elizabeth Arden is a prettier one—it's more flowery but isn't heavy. Its packaging is prettier, too. It has a rounded bottle of clear glass with a "gold" stopper. It is not very

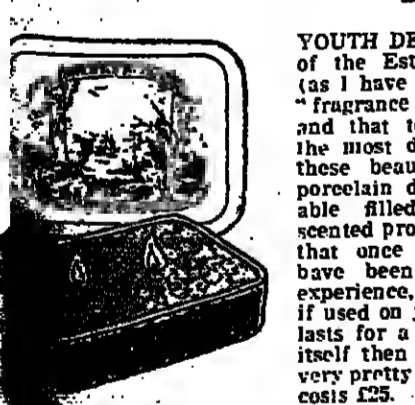
expensive for such a good perfume—30 ml. of Parfum de Toilette costs £7.00 or you can buy a 50g. atomiser of Eau de Toilette for £3.95. Estée Lauder's newest perfume, Private Collection, is to my mind her nicest. Like all Estée Lauder products it is magnificently packaged—a luxurious dark opaque glass bottle and stopper and it has a wonderfully rich, luxurious aura to it. It is expensive—a quarter ounce of perfume is £18.00. A luxury gift would be the 1-ounce size at £50. For traditional scented gifts Mary Chess does the most comprehensive range of

I suppose the most unusual line she does is her perfumed drawer-liners which are £3.25 for a set of 8 sheets. But there is also a box of vials of bath oil, hugging perfumes for scented rooms and solid perfume lockets in presentation cases. Mary Chess products are sold at Harrods, Selfridges, Harvey Nichols of Knightsbridge, Jenners of Edinburgh, Goldberg of Glasgow, Jessops of Nottingham, Rackhams of Birmingham, Etnas and Fenwick's of Newcastle-upon-Tyne, as well as through another 300 shops, so you ought to be able to find a stockist somewhere near you.

CHRISTMAS PIE is another good way to give leftover cold meats a new lease of life. Instead of topping the meat mixture with pastry and baking them together in traditional pie fashion I cook the two parts of the mixture separately and assemble them just before serving. Fill the meat mixture into the centre of a flaky pastry ring not only gives the dish a party look but it also avoids the dangers of further drying out leftover meats by cooking in the oven. For six people, I use a 9 oz

so it is nice to see that her success has encouraged another revival of this ancient craft which has appeared in its home town of Stoke-on-Trent. Here Staffordshire Enamels has recently been started by a member of one of the great pottery families and to begin with they are producing a series of five London scenes. The first two boxes are decorated in blue or sepia on the lid with a well-known line from some of our famous authors on the lower edge of the boxes. The first two boxes are now ready in limited editions of 2,000 each. Above is the Samuel Johnson Box but the other box is called the Wordsworth London box and features Westminster Bridge.

MANY PEOPLE have said to me that when they do feel like splashing out on a really lovely present, perhaps for Christmas or a special anniversary, they like to feel they are helping an artist or a craftsman by buying from him and thus encouraging him to keep his skill alive. Up and down the country there are many little galleries from which individual and original work can

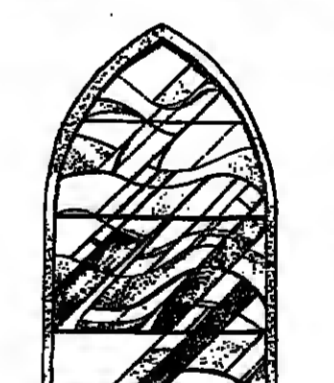


YOUTH DEW isn't my favourite of the Estée Lauder perfumes (as I have just said, her newest fragrance in the Private Collection and that to my mind is the most desirable) but as yet these beautiful blue and white porcelain dishes are only available filled with Youth Dew scented products. I like the fact that once the scented candles have been used (and, in my experience, this kind of candle, if used on just special occasions, lasts for a long time) the bowl itself then lasts for ever. It is very pretty in blue and white and costs £25. Cheaper but available in two other fragrances, Estée and Alliage, is the candle in the glass column. Youth Dew comes in two sizes: £8.00 and £10, respectively. All these products can be found at most Estée Lauder stockists, in particular Harrods of Knightsbridge. On the right is the Rigaud candle—I love the pine-scented one and always try to have one at home though they have, unfortunately, become very expensive. They come in two different scents—Cypres (pine) and Cythere. In an elegant chrome case and cost £18.50 each in large sizes (refills £14). They can be bought at Harrods and Condit's of 50 Fulham Road, London, S.W.3.



MOST people know that one of the famous craft industries of the 18th century, enamelling on copper, virtually died out after 100 years until it was revived by Susan Benjamin of Halcyon Days. Besides selling her modern version of the revived craft, Mrs. Benjamin also has a lovely collection of antique boxes at her shop at 14 Brook Street, London W.1. Mrs. Benjamin has instigated and inspired some marvellous modern examples of the craft

For those in the Essex area I hear on the Broomfield that the shop called Pennywise, alongside The White House, 32 High Street, Ealstead, is full of unusual and marvellous stocking filler ideas—they also sell welcome cups of coffee and home-made cake in their restaurant next door.



Two of their little china dishes are featured, above—the one on the left is a tiny white peony-shaped bowl for 35p, while on the right is a blue and white bowl (useful for soup, puddings, nuts etc.) for 55p. Mitsuiki shops are to be found in Birmingham, 209 Brighton, Bournemouth, 209 High Street, Kensington, London W8; 4 Penbridge Road, London W11; 73a Lower Sloane Street, London SW1, BP House, 157 Victoria Street, London SW1 and 15 Old Brompton Road, London, SW3.

Penhaligon's is a most delightful shop, to be found at 41, Wellington Street, Covent Garden, London, W.C.2, and it has about it a most entrancing old-fashioned air. Walter Penhaligon was the Court Barber at the end of Queen Victoria's reign who used to have a fashionable barber's shop in Jermyn Street. He often made up special perfumes, toilet water and pomades for special customers for whose exclusive use they were kept. The new Penhaligon's is based upon the same principles and

Blenheim Bouquet, the label for which is on the bottle illustrated above, was created specially for the Duke of Marlborough—it is fresh, light with citrus, pine and herbaceous scents all happily fused. Prices start at £4.50 for the after shave and go on up to £32.50 for large bottles of Eau de Toilette or what they call Extract.

For presents for children to give to adults I can't think of anything better than Peter Knight who has shops in the main street of Esher and Beaconsfield. Just over my limit of £5.00 for this section of the page, but none the less, one of the best possible presents for fashion-conscious girls or women is the Jap double-belt in real beige-coloured leather. Double-belt, you may have noticed, are very much one of the newest accessories and if you are looking for one to be found in gold (cheap ones at Peter Robinson for £1.50, more expensive ones in more exclusive shops) and for day wear in leather. The Jap belt costs £5.95 and is only available from Joseph and 16 South Molton Street, London W1. The Conran Shop at 77/79 Fulham Road, London SW3 is always a source of interesting presents—this year they have lovely aromatic herbs, freshly dried, at prices starting at 50p and varying according to the herb. Or there is hand-made soap from Marseille in large roughly-hewn blocks. The 73p per cent olive oil soap or the yellow 73p cent palm oil soap are both £1.00 a block. There are little tin candlesticks for 44p, Indian brass boxes with hinged lids for £1.50 and Wee Winkle enclosed lanterns (just the thing in case of further strikes) for £1.90 each. If you happen to be visiting any museums over the Christmas

important, enjoyable, popular. From the over 30,000 books published each year they sifted out 287 books to include in their guide. All of these can be ordered from the Guide and they will be sent free of charge, providing the total order is over £5.00. The guide should be a boon for those who live in or out of the way areas and who like to be kept up to date with publishing events. A subscription to the guide costs £3.50, though for Christmas a single copy of the current good book guide can be bought for £1.00. Anybody who orders a £1.00 copy now will also receive a £1.00 gift token to be used towards the price of any

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Travel

Under Canvas

BY SYLVIE NICKELS

ABOUT half way through the tour, we reached Eberavellir. It's in uninhabited central Iceland, a very long way from anywhere, and if the Icelanders get tired of having their country likened to the moon, then it is the fault of landscapes such as these which might have come straight out of the pages of Jules Verne.

Camping holidays of a quite different kind that are certainly more suitable for most families involve the provision of a ready-erected tent on a well chosen site with travel arrangements provided there and back. We tried out a Canvas Holiday package earlier this year in the heart of the French Dordogne country and it was very welcome indeed at the end of a long day's drive to find awaiting us a spacious canvas home, at least four times larger than the mountain tent we normally carried around with us.

As part of the travel arrangements we were supplied with excellent maps, route notes and a selection of value-for-money small hotels for overnight stops en route. For 1978, Canvas Holidays have 38 sites in France, two in Italy, one in Austria and one in Switzerland. Their specially designed tents are renewed after two seasons, and the company now has 12 summers of experience behind it. Prices start at £57.50 per person (two adults, two children) for two weeks including travel and an overnight hotel each way for those prepared to catch the early morning ferry.



"There must be a phrase for 'Has anyone seen a red, white and blue caravan containing a grandmother and three children and flying a Union Jack'!"

Caravan trail

PAUL MARTIN

IT SEEMS likely that those who value their holiday independence, one of the main advantages of towing your own or a hired caravan and touring either at home or in Europe, will be joined next year by those booking a caravan package.

These are now available in a variety of different forms. You can either pick up a van on the continent and tour around or drive through to a site of your own choice. It is also worth pointing out the difference between a static caravan and what the trade calls a mobile home, virtually a holiday chalet on wheels connected to main services.

While the motorist will have a sight of relief that the two principal cross-channel ferry operators, Sealink and Townsend Thoresen, have pegged their 1978 prices at last year's rates, the caravaner will also benefit as the cost of taking car and caravan over the water is a major item in the holiday budget.

Townsend Thoresen celebrate their 50th anniversary next year and, in addition to stabilising their rates, have already announced some special offers. Following the withdrawal of all long-haul ferry routes to Spain last autumn, Brittany Ferries plan to open a Plymouth-Santander route in April with the journey time to Northern Spain cut to just 24 hours. The Camping Club produces an excellent detailed guide to Spanish camping and caravan sites.

Various caravan organisations and I have included the addresses of some of these. Although not suspicious by nature, I rather doubted the claims of one manufacturer of folding caravans that it took just one minute to erect the compact little van, complete with cooker and fittings, housed in a trailer. The demonstrator—he had done it before—put up the French-built Rapid in under two minutes. These, marketed by Camping Ceotra (Bristol), cost from around £1,400 and, folding away on the trailer base, give you completely unrestricted rear vision.

A British-made model, the Dandy, takes a bit longer to put up but is considerably cheaper, working out at around £700 for a 4/5 berth version with an annex. Again the cost of transporting a trailer is obviously lower than the caravan rate.

A newcomer to the continental caravan package business is FreshFields, an off-shoot of Butlins, which uses a variety of sea crossings, including hovercraft, to caravans, connected to all main services, on static sites in Brittany, Normandy and Picardy. A 14-day holiday for Mum and Dad and two children in high season (July 15-August 25) and including return ferry passage with the car, costs £330 with a choice of route.

abroad in association with Sealink. Their continental arrangements include cross-channel transport for the car and the family and 14 days use of a caravan which you can pick up at either Ostend or Montreuil near Boulogne. You return it there a fortnight later. The inclusive package until July 2, again for two adults and two children, starts at £189.70. The caravans used are the Alpine, Musketier and Major and you can also book an extra dog.

On all these holidays it is always a case of the more—the cheaper! Magic of Sardinia offer a 14-day caravan holiday at Marina Maria in Sardinia at from £100 per person for a party of four, including return British Caledonian flight Gatwick-Olbia.

Finally there are the delights of a stay in a fully-equipped mobile home, connected to all main services, at three centres in the South of France, Frejus, St. Yaguil and La Ciotat, arranged by Personator (Canterbury). The company quotes on a per person basis and, again taking a party of four, a 14-day holiday in early or late season costs £47 each for rental of a 26ft. mobile home and return ferry rates, including the car, from Dover.

Property

A time for dreams

BY JOHN BECKLEY

MOST OF us will probably view the fact that the estate agents will have fatter turkeys this year than last with mixed feelings. For house buyers it means that the market, and thus prices, has moved upwards, if only modestly, but for house sellers it suggests that the mortgage value ratio might take a turn for the better.

There are signs that house-holders reckon the best is yet to come, with indications of a wait-and-see policy before the sales plunge is taken. Mr. Cyril Brown of Benham and Reeves of Hampstead suggests, for example, that while "prime properties are now so much in demand that there is rarely time to print a prospectus" the problem is that "we are faced with a dearth of instructions" thanks to a sluggish selling market. He thinks that "if property prices are geared to the normal rate of inflation, and there is no reason why they should not be then we may have just seen the tip of the iceberg."

These sentiments are echoed by Braxton Watson, a company operating in Sussex. "The general situation has been that demand has far outstripped supply and this has been particularly evident during the latter part of the year. The consequences are that not only have prices hardened considerably, but have also increased throughout all price ranges during the year."

It is a nice background for

the Christmas break a time for festivities but also a time when conversation tends to turn to the question of whether the house is now too small/too large, the garden unmanageable or restrictive, or whether the neighbours have simply become so intolerable as to have to be passed on to someone else.

To help the dreams along I offer two suggestions. Firstly, if you are believed to be 16th century in origin and is pretty placed at Denbigh in the Vale of Clwyd, North Wales. Within the exterior pictured there are three panelled reception rooms, cloakroom, kitchen, pantry, cellar, a master sitting bedroom, bathroom and dressing room with a lift, four other bedrooms and a second bathroom as well as a self-contained flat. Asking price is around £50,000.



Above: Skimmers land farm, Chiddingfold. Below: Troxy-Parc, Denbigh.



PROPERTY

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FINANCIAL TIMES CINEMA. All enquiries to the Press Office, Financial Times, Bracken House, 10 Cannon Street, London EC4A 3DF. Tel: 01-248 8000 (ext. 7123).

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

Opera & Ballet, Theatres, and various theatre listings including Royal Opera House, Covent Garden, and various regional theatres.

FT Sotheby

Minimal respect. IN RECENT exhibitions, the British public have been able to see examples of a type of painting which, for want of a better word, has been dubbed 'minimalism'. The exhibitions were the Survey of British Painting at the Hayward, the Jubilee Exhibition of British Painting at the Royal Academy, the retrospective of Robert Ryman at the Whitechapel Art Gallery and the show of new work by Sean Scully at the Rowan.

HOME NEWS

Beer price curb fears depress brewery shares

THE STOCK market reacted adversely last night to the possibility that the brewing industry might be one of the first targets in the Government's attempts to persuade manufacturers to persuade price increases to one a year.

Pay sanctions may be used for first time

THE PAY SANCTION in the companies traded over their price controls may soon be invoked for the first time.

Concorde Singapore flights hit

THE JOINT British Airways-Singapore Airlines Concorde service to Singapore was halted yesterday by the continued refusal of the Malaysian Government to allow supersonic flights through its airspace.

Effluent treatment costs concern petrochemicals

EUROPE'S petrochemical industry may have to spend as much as 13 per cent of its total planned investment on waste water treatment facilities, according to a report from CEFIC.

Gold coin import controls eased

THE BANK of England is easing controls on the import of gold coins in response to requests from coin-dealers.

Law to tighten supervision of banks soon

THE GOVERNMENT plans to bring in new laws to tighten supervision of the banks as soon as time is available in Parliament.

'Superstore' building for Aston Villa land

ASDA has received planning permission to build a 78,000-sq-ft superstore on land owned by Aston Villa Football Club in Birmingham.

Payouts needed in Iranian arms deals, court told

DETAILS of Middle East commercial deals were given by Mr. Frank Nurdin, 61-year-old former arms salesman for the Raeli electronics group, when he outlined his role in obtaining a \$4m. Iranian army contract in an Old Bailey corruption trial yesterday.

MPs accuse BBC television of encouraging IRA violence

THE BBC was angrily accused by leading politicians yesterday of encouraging IRA terrorism in Northern Ireland by a television programme on the IRA.

Appeal system to help home loan applicants

AN APPEAL system is to be established for potential home-owners who have been referred to a building society by a local authority and then had their mortgage application turned down.

Labour consults lawyers over threat of writs

MR. NORMAN ATKINSON, Labour Party treasurer, said last night that the party was consulting the best legal opinion in the country about the threat of writs alleging unconstitutional practices in several constituency organisations.

Five-day Christmas for banks

THE LONDON clearing banks will close for business at noon next Friday, and will reopen after the Christmas Bank holiday at 9.30 on Wednesday, December 28.

Skateboards oust old toys

IT IS ironic that with Christmas only a week away one of the most famous names in the toy world — Tri-Ang Pedigree — should be forced to call in the Receiver.

MPs accuse BBC television of encouraging IRA violence

THE BBC was angrily accused by leading politicians yesterday of encouraging IRA terrorism in Northern Ireland by a television programme on the IRA.

U.K. to oppose EEC doorstep selling move

MR. DOUGLAS HURD, Opposition spokesman at Europe, asked Government to make representations at the Council meeting in Brussels on the "widespread and disquiet" about the proposals.

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Masterloan cuts rate

MASTERLOAN, the fixed instalment credit scheme operated by the Barclays credit card group, has cut the interest rate charged to its personal-loan borrowers.

Rear fog lamp compulsory for new cars

THE GOVERNMENT intends to introduce regulations requiring that new vehicles, with exceptions, should be fitted with at least one high-intensity fog lamp.

Better trains on Southern Region soon

A START will be made next month on modernising electric lines used on Southern Region's line services in Kent and on boat trains to Dover and Stone.

News Analysis - Tri-Ang Pedigree

Skateboards oust old toys. IT IS ironic that with Christmas only a week away one of the most famous names in the toy world — Tri-Ang Pedigree — should be forced to call in the Receiver.

AN OFFER FROM M&G AMERICA. M&G AMERICAN & GENERAL FUND. Many experts now regard Wall Street as more attractive than London. TWO WAYS TO INVEST. EITHER £500 OR £10. THE M&G GROUP.



OVERSEAS NEWS

Demands for removal of Leber persist

BY ADRIAN DICKS BONN, Dec. 16. THE GOVERNMENT spokesman... Dr. Armin Gruenewald... demands for removal of Leber persist...

Andreotti sees opposition unions consider strike

DOMINICK J. COYLE ROME, Dec. 16. JULIO ANDREOTTI, the Minister... opposition unions consider strike...

Middle East Saudis 'oppose Egypt-Israel peace'

KHAN HIJAZI ARABIA will oppose a peace agreement... Saudis 'oppose Egypt-Israel peace'...

Holden's luggage is found

BY ROGER MATTHEWS CAIRO, Dec. 16. EGYPTIAN police have found... Holden's luggage is found...

Norway renews North Sea search plans

OSLO, Dec. 16. THE GOVERNMENT proposes that... Norway renews North Sea search plans...

Achilleas Kyprianou's kidnappers contacted

BY OUR OWN CORRESPONDENT NICOSIA, Dec. 16. THE AUTHORITIES have established... Achilleas Kyprianou's kidnappers contacted...

Portuguese party thaw brings hope to crisis

LISBON, Dec. 16. A SLIGHT but noticeable thaw... Portuguese party thaw brings hope to crisis...

JAPAN'S IMPORTS PACKAGE

Tokyo's last word—for the time being

BY CHARLES SMITH JAPAN'S IMPORT liberalisation... Tokyo's last word—for the time being...

EEC STEEL PRODUCERS

No price protection, says Davignon

BY DAVID BUCHAN BRUSSELS, Dec. 16. UNILATERAL MEASURES... No price protection, says Davignon...

Distillers findings due Monday

BY MARGARET VAN HATTEM BRUSSELS, Dec. 16. THE EEC Commission is expected... Distillers findings due Monday...

Top anti-Tito emigre 'kidnapped and jailed'

BY PAUL LENDVAY BELGRADE, Dec. 16. ONE of the top leaders of the... Top anti-Tito emigre 'kidnapped and jailed'...

Accord close in U.S. iron ore dispute

U.S. STEEL and Inland Steel have reached a tentative agreement... Accord close in U.S. iron ore dispute...

Rebels attack Massawa

ERITREAN rebels fighting Ethiopian forces for control of the Red Sea port... Rebels attack Massawa...

Arms decision

IT has been 'reluctantly decided' to fulfill the \$280,000 contract... Arms decision...

Uranium agreement

WESTINGHOUSE Electric Corporation said it reached agreement... Uranium agreement...

Commodity talks

RICH and poor nations believe it may be possible to resume negotiations... Commodity talks...

Schlesinger's PIMS service advertisement featuring a 10.1% per annum return and a table of investment options.

FINANCIAL TIMES

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Saturday December 17 1977

Satisfying the Fund

THERE HAS certainly been no shortage of economic news this week. Internationally, the dollar has remained the centre of attention. The Bank for International Settlements failed at its regular monthly meeting to agree on any measures to halt a decline which is generally regarded as unjustifiably large, and upward pressure on the D-mark and the yen continued. The U.S. Administration is not happy about the measures which Japan has so far taken to reduce its payments surplus and improve access for foreign goods to the Japanese market, and the Bank of Japan has had to intervene heavily again to prevent a further appreciation of its currency. The German authorities have reacted by tightening—what success remains to be seen—their exchange controls over the inflow of speculative funds from abroad.

The pound has remained on the sidelines, with the embarrassing inflow of foreign money now diverted elsewhere and the competitive position of UK exporters gaining something from the appreciation of the yen and D-mark. The latest financial indicators, moreover, are all good. The current account surplus rose further in November, despite the fact that the estimate of invisible earnings has had to be revised downwards. The fact that this was largely due to a further movement of prices in our favour—with export volume down and machinery imports uncomfortably high—is a problem for 1978.

Money supply

The rate of inflation, too, is coming steadily down. Yesterday the new Price Commission issued an optimistic first report and it appeared that the November retail price index was 13 per cent up on the same month of 1976—the official target hit a month early. Recent progress has been much better than that: the annual rate of rise for the six months to November, excluding seasonal foods, was down to 8.7 per cent. Although there are some known rises in the pipeline, the overall index will probably continue to fall for some months to come; from mid-1978 onwards its behaviour will be governed by the outcome of the present wage round.

Finally, the accelerated growth of the money supply caused by the heavy inflow of foreign funds has now been contained. The rise in sterling M3 during the latest banking month was small, though foreign money was still pouring in during the first half of the period, and the rise during the first seven months of the current financial year is now back to just under 13 1/2 per cent.

Changing markets and world competition squeeze the U.K. television set industry. Max Wilkinson reports

Bargain prices push British TV makers to the brink

THOSE WHO go out to buy a new colour television set this Christmas will be getting a bargain, for British prices are about the lowest in the world. In fact they are much too low.

The low prices which British consumers enjoyed for several years have cut manufacturing profits to the bone and have brought the industry into a parlous state.

It may be quixotic to suggest, therefore, that every customer should be forced to read a government Health of the Industry Warning before buying a television set. No doubt it is even more unrealistic to expect the public to accept as a patriotic duty an immediate 20 per cent. increase in all television set prices.

Thousands of jobs

However, better public and political awareness is needed of the relationship between domestic prices, the long-term viability of a strategically important consumer industry and the thousands of jobs which are now in jeopardy.

It would be naive to suggest that a sudden series of price increases would save many jobs or solve the industry's deep-seated structural problems. The argument is rather that low prices in the past have been one of the main contributing factors and will continue to have an adverse effect.

The main long-term difficulty of the industry is its fragmentation. The consumer can get a pretty good idea of the problem by casting his eye over the bewildering variety of brand names now in the shop windows. Some of these brands call up the memory of companies which have long ceased to have an independent existence.

Those, for example, who buy Ferguson rather than Ultra will probably be making their choice for sentimental reasons, perhaps because their father patronised the old firm. For television sets carrying both labels are now made by Thorn. It is the market leader, though its name is more usually associated in the public mind with lighting and refrigerators.

To make things even more confusing, the names most strongly associated with electronics and entertainment, Rank and Decca, are now in the weakest positions in the domestic television market. What is more, the biggest fish of all in the U.K. electrical market, GEC, has to swim among the minnows when it comes to sales of television sets.

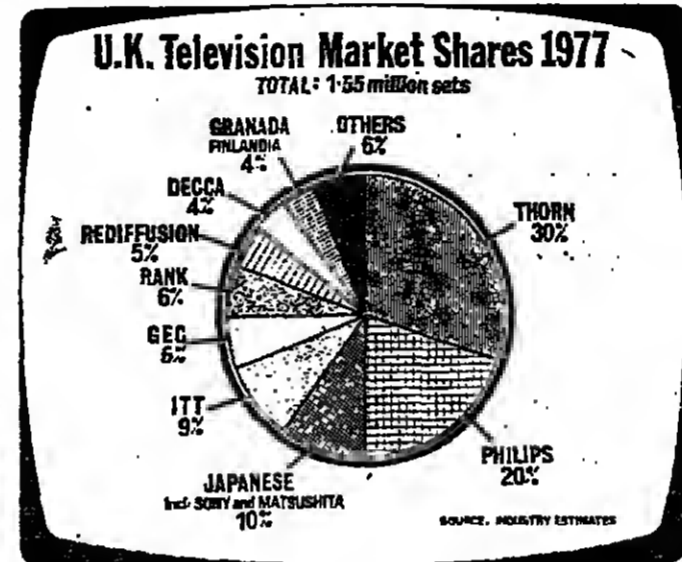
This confusing picture arises because sets now for sale in the

shops have been produced by its five main difficulties: fragmentation, lack of strong company brand images, inferior research capability, serious over-capacity and low prices.

The fragmented structure of the industry is probably the key to most other difficulties. There are no fewer than nine separate companies making television sets in the U.K. at present. Of these Thorn is the only British-owned company which has a volume of production anywhere near large enough to compete in the international league—and television production is increasingly becoming a world-wide business.

Four others, Philips, I.T.T., Sony and Matsushita, are multinationals backed by huge funds and research efforts outside the U.K.

That leaves four British companies with a combined production of only 300,000 to 400,000 sets a year. They are Rank, Rediffusion, Decca and GEC. Even put together they would be barely large enough to be sure of survival. Furthermore, there is so much over-capacity in the



set now costs in real terms about the same as a black and white set cost a decade ago, even though the colour set is several times more complicated to make.

The question for the industry is therefore what steps it must take to maintain or to improve its present position and to prevent the market sliding further into the hands of foreign competitors, particularly from Japan.

This question is important not only for those employed in the industry but in the context of a wider national need for a healthy electronics industry in which consumer sales, component manufacture and the military and industrial applications are all to some extent interdependent.

The consumer electronics industry, of which colour television is by far the largest part, is about to commission an independent study on the remedy for

industry that one or even two of those companies could close their entire operation without causing a shortage of sets on the market.

The position of Rediffusion, perhaps, is left on one side, since it manufactures for its own retail chain. Since it has this tied and still profitable outlet, the cost pressures on its manufacturing plant are relatively less severe.

For the other three companies, a reorganisation is essential though GEC has the financial strength to carry its consumer electronics division in its present form if it wished. It could even increase its investment and go all out for a bigger market share. However, Decca and Rank must now face four possibilities: outright sale of their television factories, closure, mergers within the U.K. or perhaps a joint venture with

Advertisement for Sony, Decca, I.T.T., Ultra, Decca, Philips, and Ferguson. Includes logos and text: 'National Panasonic', 'REDIFFUSION TELEVISION LIMITED', 'THE RANK ORGANISATION LIMITED'.

will be colour. But the British manufacturers have been slow to respond to this demand. As a result it is being satisfied to a large extent by their Japanese competitors.

Companies producing television sets have also failed to exploit new areas of demand in consumer electronics. The prime example at present is the "music centre". These integrated stereo systems with radio cassette recorder and record player all in one, have sold some 900,000 this year at prices ranging from about £150 to over £400. British manufacturers in general have less than half the new market U.K. television makers, which could have developed their spare plant in producing them, are very sparsely represented.

Relentless advance

It is, indeed, this relentless advance in all branches of electronics which makes fast reaction from the British companies imperative. They cannot simply continue to serve their traditional market in the traditional way because the market is itself, changing.

A glance in the shops will show that the ordinary television set is becoming ever more sophisticated with touch button remote, electronic games, and remote control. Add-on devices are also beginning to appear, like the video-cassette recorder and teletext.

Teletext adaptors enable the set to display words and figures generated by a computer. This information can be received either by the broadcast channels or by linking the set to the ordinary telephone. Ultimately this system could give viewers instant access to a whole encyclopedia of information stored in a GPO computer. It already provides news flashes, recipes, sport, entertainment and other information from off the air.

Another change is the emergence of a new market for transportable small screen colour sets. In the next decade most "second sets" sold for bedrooms or children's playrooms

has been the development of huge and profitable television rental business, which was matched in any other country. About half of all colour sets are now rented; even though it is now cheaper to buy a set than hire purchase, the rental business appears to be holding up well.

The main effect of the large rental chains has been to depress prices and to concentrate the manufacturer's mind on producing the most basic "cheap and cheerful" type set. Even the sets made for direct sale were kept fairly basic because sales had to compete with rentals. This policy paid off well in the late 1960s and early 1970s when sales soared. But export market action demanding more sophisticated sets were consequently neglected.

Moreover, a lot of the profit were taken by the rental companies which had no direct interest in investing in technology. Even in 1976 when manufacturing operations were making little or no profit, rental companies had an average return on capital of 19.3 per cent.

For the only alternative to severe contraction in the industry is the development of new products and the addition of more extras to increase the value of the conventional colour set. Unfortunately, it is just in this vital area of research and development that the British companies are weakest. They have simply failed to keep pace since the early 1960s when they had a world lead in television technology. Partly this has been because their volumes of production have been too small to justify the very large expenditures needed.

Rental profit margins

The Government's only contribution was to try to reduce rental profit margins by holding prices down. Ministers apparently failed to see the need to increase prices which promoting increased investment in research and the necessary restructuring of the industry.

However, the recent unsuccessful attempt by Hitachi to set up a factory in Washington County Durham, appears to have focused attention on the needs of the British manufacturing industry. Behind a facade of near-hysterical reaction, there has begun to be a realisation that U.K. manufacturers must increase their efficiency and product range if they are to have a chance of a continued existence.

Letters to the Editor

Pensions

From the Managing Director of Administration, Industrial and Management Services.

Sir,—The letter from your correspondent, Mr. P. L. Mullis, on December 14 persists in projecting what can only be regarded as the normal sales bias of insurers, which "implies" a number of benefits for their sales effort which do not bear strict scrutiny. It is, I suggest, better for those making the decision to see both sides before committing themselves, so I ask your indulgence for the following comments on his letter:

1.—It is absolutely correct that there is no last date for making a final decision but only for achieving contracting out by the first day, April 6, 1978.

2.—The decision can also be reversed at a subsequent date provided all the consultation requirements are duly undertaken.

3.—The claim implied that the employees are necessarily worse off contracting in than out, is completely untrue. In fact, the maximum benefits can only be given them by contracting in, because on top of this a company can (subject to cost) provide up to the maximum limits for occupational schemes.

4.—Administrative complications of contracting out are being considerably underplayed at the moment, but that the complications are many and that costs will be material is not in doubt.

5.—The interests of most small businesses, particularly of partnerships and sole traders, are likely to be served better by contracting in and providing a suitably trimmed occupational scheme "on top" with ample facilities for members to supplement their pensions by the voluntary contributions enjoying full tax relief through one of the many flexible plans available today.

6.—The direct cost difference between contracting in or contracting out while providing approximately the same total benefit levels only vary marginally, and if this is projected as a percentage of total labour costs it is marginal now and will

decrease in proportion as the costs of National Insurance contributions increases over the next 20-25 years (with the rebate reduced from 7 per cent, to say 4 1/2 per cent).

Finally, in my view, those in any doubt whatsoever would be well to consider contracting in not as a disaster, but as a sensible move, and arrange to trim their own schemes and policies to one which is worse off in total (and most people therefore rather better off). It will be possible to contract out later if it is so desired, and in the meantime it will have avoided an unnecessary and expensive change of rules, etc. and increased administration.

L. P. Cleminson, 22, St. Nicholas Lane, London, E.C.4.

Bacon

From Mr. S. V. Gaskell, Sir—Christopher Parkes' article on Wednesday described the British bacon industry's predicament but failed to nail the cause.

When the intrinsic value of bacon falls below the prevailing price of pigs and pork, then British bacon curers are in trouble. In theory, according to the CAP, this should be impossible, because the CAP is dedicated to fair trading. In practice, this idealistic policy has been so distorted by politicians that large parts of our agriculture simply have no stable basis on which to invest.

In pigs, the 25-30 per cent. MCA subsidy has made all its impact on bacon for the simple reason that little pork is imported. To survive, pig producers cut back so driving up the price of pork. Now bacon curers are taking the brunt of the Government's agricultural policy and they will have to cut back until they drive down the price of pigs.

We are witnessing the cynical and progressive destruction of an industry in order to solve a short-term political problem. By

definition politicians are short term and no doubt Mr. Silkin will back in the reflected glory of his successful contribution to the battle against inflation.

The cost to the country will be on a par with the losses of British Steel, plus dearer bacon and the loss of many thousands of jobs. It seems incredible that any government can willingly and openly adopt such destructive policies at a time when we need to cherish potentially successful industries as our older traditional ones decline. What other country in the world would be so imprudent?

S. V. Gaskell, Gaskell Bros. Ltd, Woolston, Warrington.

Leyland

From Mr. P. G. C. Fletcher, Sir—Terry Dodsworth's perceptive article (December 14) on Leyland does much to clarify the problems of the company.

I would further suggest that the failure lies in the history of the volume car range. At the time of the BMC/Leyland merger, Lord Stokes said that the strategy would be to concentrate the Morris division on traditionally engineered cars for "fleet" purposes, while leaving more sophisticated engineering to Austin. This split strategy has obviously failed on both counts. The concept of "fleet" cars is a mainly British institution, and we probably have a higher proportion of "company" cars than any other country. Has the effect of this on British volume car production ever been analysed, and is it one reason why the volume British car (including Ford Vauxhall and Chrysler) has fallen back vis-à-vis foreign competition in design, reliability and exportability? Similarly, sophisticated engineering has not proved a success in the Austin A40 was also one of the first batchbacks.

Leyland must produce volume cars designed for an international market (the specialist cars can look after themselves, with their own identity and niche). This means cars which compete at home and abroad and which will be chosen by the discerning private owner rather than being presented to him as part of an employment package. The Morris 1000 and the Mini show what can be achieved, although it seems likely that the projected Mini replacement has already been overtaken by the competition.

What bedevils Leyland is a traditional snuggles probably engendered by the relative success of its specialist cars (food trucks, typified by the remark "We could sell our cars easily if only we could produce them—British buyers are performing better to make do with foreign products").

This had its counterpart in BMC days in 1959 when the cry was that home demand was inhibiting our export performance of volume cars. The truth is that given a good export market in volume cars, the home market will look after itself, but a good home market is sometimes an illusion as far as export acceptability is concerned.

P. G. C. Fletcher, 5, Darnport Road, Bognor Regis.

Bridge

From The Secretary/Treasurer, The British Transport Officers' Guild.

Sir—The recent article and correspondence on the subject of the possibility of building a bridge over the North Sea oil revenue needs to be spent in improving the quality of the total transport infrastructure and building into it a flexibility to cope with a future that has many uncertainties.

However, the views now being expressed, advocating the building of the bridge, can hardly be called strategic thinking. For example: (a) the annual traffic

table shows a fattening over the past few years. Do we wish to build a bridge to cater for peaks? Certainly there is a need in the first place to raise the toll in order to ensure that the existing bridge pays its way, and also to measure the traffic flows in these circumstances; (b) claims have been made that cost-benefit analyses show that the gross benefits have been substantial.

Your correspondent Mr. Ford (December 3) is so right when he states that "it will require considerable political courage to base transport policy not on the needs of those queuing to cross the bridge in 1990 but on those who may not be able to afford the price of petrol 15 years later."

J. C. Rogers, West Side Offices, Kings Cross Station, N.1.

South Africa

From Mr. G. L. Weinbrun, Sir—In writing about Anthony Thomas's first programme in the series "The South African Experience" (December 7), it is most surprising to find your television critic-entirely that this film was made when there has already been so much Press coverage on this very topic.

It has been established that Mr. Thomas and ATV were afforded every facility while filming in South Africa, and although this may not have been obvious to the average viewer, to any film-maker it was plain to see because of the very techniques employed.

Chris Dunkley makes a criticism about the way Mr. Thomas occasionally over-indulged his subjectivity and pushed his feelings at us too hard. Is your correspondent not guilty of doing this very thing himself? He claims that you don't have to be a professor of political theory to know that

there are difficulties about filming in South Africa and while admitting that the film doesn't look like it, hints that it could have been shot clandestinely on 8mm tourist cameras. A simple phone call to ATV would have ascertained that the programme was indeed shot on 16mm professional equipment—but plain facts are hardly a match for innuendo.

Mr. Thomas has an established reputation as being a talented and accomplished filmmaker among his fellow professionals. This image might become tarnished by the ruthless and quite unprofessional tactics employed in this production. Inciting hatred against Afrikaansers seems a very strange way of attempting to help the cause of the black man in South Africa. If indeed this was what Mr. Thomas intended, His South Africa background cannot be ignored when questioning his motives, and maybe Mr. Dunkley should have taken more cognisance of the quote attributed to Mr. Thomas in the TV Times: "The South African Experience" will make previous criticisms "look like a vicar's tea-party."

G. L. Weinbrun, 3, Westbury Park, Bristol.

Whisky

From Mr. Charles L. Scott, Sir—With reference to the cartoon on to-day's centre page (December 12), surely it should be a whisky "luch" not "lake."

Charles L. Scott, 57, Rosemeath Road, Urmston, Manchester.

Parliament

From Mr. David Hunter, Sir—We need not be surprised that the members of the House of Commons voted against Proportional Representation. The majority of them have safe seats and any change in the system would make them less safe.

David Hunter, Winchester House, 100, Old Broad Street, London, E.C.2.

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U.S. SOCCER SCORES OVER THE GRIDIRON

BY JUREK MARTIN IN WASHINGTON

No longer just a kick in the grass

PETER OSGOOD, a wily might be tempted to conclude, bought himself a useful little life insurance the other day when he signed to play for a new soccer team in Philadelphia for a nice fat fee.

After all, it was probably motivated in the pubs in Chelsea and Southampton, his best playing days are arguably behind him and George Best and any number of possibly over-the-hill English League players might have told him that it was a soft touch out in America, playing indifferent football in front of spectators many of whom would not know a good game if they saw one.

There are several obvious factors behind the boom. Soccer has been able to appeal to many young people (girls, it must be stressed, as well as boys) who cannot make the grade in American Rules football, which places a great premium on physical bulk.

Henry Kissinger, when Secretary of State, gave this sort of official imprimatur, when he interceded with the Brazilian Government to help get Pele to play for the New York Cosmos, much as Sir Frederic Ayer lent a certain intellectual respectability to the game in Brito when he disclosed 20 years ago that he was a rabid fan of Tottenham Hotspur.

Several occasions the Cosmos attracted over 60,000 to watch regular league matches. Out to unwelcomed, unheralded Minneapolis, the Minnesota Kicks drew an average of over 30,000 spectators a game, a figure that was the envy of the long established local baseball team.

Two names are generally associated with the soccer boom in America — Phil Woosnam, the former Welsh international and commissioner of the North American Soccer League, and, of course, Pele, the Brazilian Black Pearl. It was Woosnam who picked up the pieces of the

debacle of the first attempt to establish professional soccer in America ten years ago. The ten-team league had been halved by bankruptcies. Television exposure has been a hopeful failure — not least, in the opinion of many because of the otherwise glorious performances of Danny Blanchflower, the ex-Irish international, who was imported to provide expert colour commentary. Unable to disguise his contempt for the poverty of the play on which he was commenting, Mr. Blanchflower broke the golden rule of American television sports announcers — never criticize anything. He did, however, leave with a glowing tribute to the New York Times television critic, who did not like soccer but who once wrote that Blanchflower's "bleed of running criticism, boundless contempt and sterling cliché eased up all the time."

Woosnam somehow managed to keep the nucleus of a league alive, cajoling and persuading commercial interests to co-operate to underwrite the sport. A big early coup was to get Warner Communications to assume ownership of the New York Cosmos, for it was felt that if the game could not make it in New York, it could not make it anywhere.



Three of the best-known U.S. soccer imports: Franz Beckenbauer (top left), George Best (bottom left) and Pele, the undisputed king of soccer.

Cheap sport

There are several obvious factors behind the boom. Soccer has been able to appeal to many young people (girls, it must be stressed, as well as boys) who cannot make the grade in American Rules football, which places a great premium on physical bulk.

Moreover, soccer is an age of relative financial stringency, soccer is a cheap sport to run, both for parents (who can equip a child with soccer gear for \$20-30 but who would have to pay well over \$100 for American Football impediments) and for schools, which have

several occasions the Cosmos attracted over 60,000 to watch regular league matches. Out to unwelcomed, unheralded Minneapolis, the Minnesota Kicks drew an average of over 30,000 spectators a game, a figure that was the envy of the long established local baseball team.

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But the big coup which established the game at a professional level was the landing in 1975 of Pele after four years of hard wooing. Americans are improved to the extent that good instinctive sense of when they are watching dross. Pele was the one soccer player they had all heard of, and even if he was in his declining years here was the player they would make an effort to go to watch. And when Pele, with a \$5m. three-year contract under his belt, made the move, other quality players followed in his wake — George Best (still no mean player when fresh of the backing boots of the English leagues), Giorgio Chinaglia, Rodney Marsh, and, finally last season, the "Kaiser" himself, the best European player of the last decade, Franz Beckenbauer. The word now is that Johan Cruyff may not be long in coming.

The revenue which television can generate, along with other commercial concessions, may well be in the process of making soccer an attractive investment proposition. Because a soccer franchise can be bought for a net outlay of some \$1.25m., a fraction of the price commanded by an American Football or baseball team, some calculations are that, given good gates and local interest, a 300 per cent annual return on investment can be earned. Moreover, franchisees increase in value on the resale market. One estimate is that Warner Communications' \$10,000 investment to buy the New York Cosmos six years ago is worth something like \$5m. today.

LABOUR NEWS

Decision likely soon on Swan Hunter outfitters' claim

NICK GARNETT, LABOUR STAFF

CENTRAL Arbitration Committee is likely to give its decision by the middle of next week on the "fair wages" claim of Swan Hunter outfitters, which could be the means of ending the 16-week-old overtime ban and thereby part of the Polish ships for the Tyne.

Terror journalists agree on further pay talks

PAULINE CLARK, LABOUR STAFF

LABOUR GROUP journalists are to meet to discuss a proposed new offer on similar lines to a previously rejected offer.

Rolls keeping plants open

OUR LABOUR CORRESPONDENT

ROYCE WITHDREW its approval yesterday to close its Hillside and East Kilbride factories in Scotland from last night on of an overtime ban by workers, who have rejected a 10 per cent offer.

Elliott Board reshuffle after shares dealing

BY JOHN MOORE

ELLIOTT GROUP of Peterborough, the portable building specialist at the centre of a row over directors' share dealings, reshuffled its Board yesterday.

Fokker stops work on VFW-614 jet

BY ADRIAN DICKS

VFW-FOKKER, THE West German side of the joint Dutch-West German aircraft manufacturer, has cancelled further production of the short-range VFW-614 jet airliner, because of a continued lack of orders and interest in it by the world's airlines.

Economic Diary

MONDAY—TUC-Labour Party Liaison Committee meets, Transport House. Further talks between Fire Brigades Union and local authority employers. Shipbuilding and Engineering Unions meet Engineering Employers Federation on pay, Tothill Street, S.W.1, TUC finance and Congress House. EEC Finance Ministers, Brussels. Two-day meeting of EEC Foreign Ministers, Brussels. Yorkshire area Council of National Unions and Mineworkers discuss local output incentive schemes, Barnsley.

COMPANY MEETING

BH SOUTH LIMITED
459 Collins Street, Melbourne, Victoria 3001, Australia

The Annual General Meeting of BH South Limited was held in Melbourne on 2nd December, 1977. The following are extracts from the address by the Chairman, Mr. J. M. Tyler.

MAIN FEATURES

The three main elements of BH South Limited, in its business of minerals and metals, mining and manufacturing are: Ministry investments in other companies, in which the rewards are expanding. Investment income more than doubled in 1977. Metal mining and smelting, via subsidiary companies, in which the 1977 results were about break-even. The phosphate project in which the current loss has negated other gains. A major component of phosphate loss is the interest on loans raised for development and infrastructure. The aims of the Directors for the phosphate project have not yet been realised, either in the level of sales attained or in the technical aspects of use of Queensland rock in the manufacture of fertilizer in Australia.

PRIORITIES

Three priorities have been adopted by Directors with the objective of reducing the phosphate losses:

- Continue to seek equity contribution in Queensland Phosphate Limited.
- Review all operational aspects of the project at the reduced production rate of 350,000 tonnes per annum, to improve efficiency and reduce costs.
- Expand sales in the export market and gain access to the Australian market, at satisfactory prices.

The prospects for BH South resuming dividend payments will depend on a reduction in the loss on phosphate rock production.

The major opportunity rests in the elimination or reduction of interest payments through the subscription of outside equity in Queensland Phosphate Limited.

GROUP RESULTS

The group net loss in 1977 was \$4,155,000.

Within the figures for the year, dividend income increased significantly to \$8.3 million, the copper mines and the Electrolytic Refining & Smelting Company of Australia Limited came out overall at near break-even, but the phosphate project incurred a net loss of \$11.3 million. The balance was made up in exploration and administration charges.

REVALUATION OF INVESTMENTS

Directors announced in September last that investments in other companies had been revalued. The net addition to group assets was \$88 million.

BH South's interests in other companies, which are consistent with its basic business of mining and metallurgy, have been revalued at their current market value. These investments are the most significant — Alcoa of Australia, 16.6%, Kambria Coal & Coke, 20% and Metal Manufacturers, 19.4%.

Each is performing well in its field, and has the prospect to either sustain or improve its results to date.

These three investments represent the core of the BH South investment portfolio and, as our accounts show, are important income earners for the group.

COPPER

Cobar Mines Proprietary Limited

Our resolve to keep Cobar operating recognises the very large and as yet undeveloped potential of the field. Directors are satisfied that the modified

Economic Diary

(December-prov.) Expected new orders (October). Lloyd's Register of Shipping casualty return (2nd quarter).

THURSDAY—New vehicle registrations (November). Bricks and cement production (November). Car and commercial vehicle production (November—final). Third quarter figures for finished steel consumption and stock changes: capital expenditure by the manufacturing, distributive and service industries, and manufacturers and distributors' stocks.

FRIDAY—Steel union talks on compensation for redundancies at Hartlepool. Quarterly analysis of bank advances (mid-May).

BH SOUTH LIMITED
459 Collins Street, Melbourne, Victoria 3001, Australia

The Annual General Meeting of BH South Limited was held in Melbourne on 2nd December, 1977. The following are extracts from the address by the Chairman, Mr. J. M. Tyler.

MAIN FEATURES

The three main elements of BH South Limited, in its business of minerals and metals, mining and manufacturing are: Ministry investments in other companies, in which the rewards are expanding. Investment income more than doubled in 1977. Metal mining and smelting, via subsidiary companies, in which the 1977 results were about break-even. The phosphate project in which the current loss has negated other gains. A major component of phosphate loss is the interest on loans raised for development and infrastructure. The aims of the Directors for the phosphate project have not yet been realised, either in the level of sales attained or in the technical aspects of use of Queensland rock in the manufacture of fertilizer in Australia.

PRIORITIES

Three priorities have been adopted by Directors with the objective of reducing the phosphate losses:

- Continue to seek equity contribution in Queensland Phosphate Limited.
- Review all operational aspects of the project at the reduced production rate of 350,000 tonnes per annum, to improve efficiency and reduce costs.
- Expand sales in the export market and gain access to the Australian market, at satisfactory prices.

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Mr. J. M. Tyler

production measures are achieving their purpose.

The cost of producing a tonne of ore is 1977, was about that of the 1973/74 year. The cost of producing a tonne of ore in view of the reduced output and the increases in costs generally through inflation. The average price of copper received by Cobar, in Australian dollars in 1977, was 15% below what it was in 1974.

As world economies improve copper consumption should remain high of the growth rate lost during this recession. Additions to production capacity are being deferred in the present climate, but the long-term outlook is for a return to prices at which developed mines will again become profitable.

Exploration drilling at Cobar was restricted to the Q.T.S. project. Details of intersections and their proximity to the C.S.A. Mine are given on Page 9 of the Annual Report. A third deep hole is in progress to test for mineral intersections at the Q.T.S. position, which are about 275 metres apart, and to test for continuity of mineralisation in the new position to the west of the Q.T.S. position.

The mineralisation intersected in this area is significant because of its proximity to the services available in the C.S.A. shafts and workings. Underground development to test the ore potential of this area will be commenced when funds permit.

PHOSPHATE

Queensland Phosphate Limited

Phosphate rock production is now established at the previously announced interim tonnage of 350,000 tonnes rock for 1978, which together with stocks will meet commitments now standing at 400,000 tonnes for the year.

About 300,000 tonnes are to be exported and the remainder will be delivered within Australia, for plant tests, including a large tonnage to one manufacturer for production scale testing for the manufacture of phosphoric acid and superphosphate.

The bulk of phosphate rock consumed in Australia goes into the manufacture of superphosphate and wet phosphoric acid. Smaller quantities are consumed in the manufacture of high grade phosphoric acid for fertiliser use.

Queensland rock in blends with Island rocks, has been tested for the manufacture of superphosphate, and on its own for the manufacture of wet phosphoric acid and in each case it has been shown that a product of acceptable quality can be made.

Australian manufacturing plants and practices are suited to the processing of high quality, but depleting, Indian and Pacific Island rocks. The silica content of the Island rocks is negligible whereas sedimentary deposits, which constitute the bulk of the world's phosphate reserves, contain silica in varying quantities.

Dochess in Queensland is a sedimentary deposit and, through its silica content, is more difficult to grind and it affects the chemical reaction in the manufacture of superphosphate and phosphoric acid. Modifications to varying degrees will be necessary in the Australian plants if they are to achieve satisfactory processing of Duchess or any other siliceous rocks.

What was not anticipated within South Queensland Phosphate Limited was the extent to which the various Australian

The BH South Group of Companies comprises: Queensland Phosphate Limited—Cobar Mines Proprietary Limited—Kambria Mines Limited—Mines Exploration Proprietary Limited—The Electrolytic Refining and Smelting Company of Australia Limited

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

It was another quiet week for bids, and activity in rumoured situations has also been much reduced.

Seagram's bid for Glenlivet Distillers came to a happy conclusion on Wednesday when the latter's Board recommended an increased bid of 510p cash a share, up from 440p. The new offer also contains assurances which will allow Glenlivet to remain an independent Scottish company.

Malayalam Plantations' shareholders received a pleasant surprise on Monday when Harrison and Crossfield made a counter-offer of 30p cash a share, with the alternative of one H and C share for every eleven Malayalam shares.

In its defence against the bid from Ladbrooke, Leisure and General has been allowed by the Treasury to raise its dividend to nearly 93p par cent. L and G also points out that, including directors' aggregate holding of 19.4 per cent, shareholders holding some 54 per cent of the equity have indicated rejection of the 60p a share cash offer.

Allied Investments had their quotation temporarily suspended last Wednesday at 47p on news that discussions were in place with the National Enterprise Board and the three institutional shareholders with a view to a concerted offer of the capital of Allied Investments.

British Rail Pension Funds finally won control of Edinburgh Dundee Investment Trust after a stiff battle by the latter's board which considered the offer inadequate and still feels that its shareholders should not accept on the grounds that a higher bid might be gained after Britishrail has liquidated the company. A similar situation and result occurred with the National Board Pension Funds' bid for British Investment Trust.

The recent expansion into the American market by U.K. serial companies was added to this week by news that Thos.

Tilling is bidding \$26m. for Clarkson Industries, which is in political control. This follows the company's \$15m. venture into the U.S. in January of this year for the acquisition of Intermedco, a medical supplies concern.

Caparo Investments' offer for Single Holdings has lapsed owing to insufficient acceptances.

Spink and Son requested temporary suspension of dealings in its shares late on Thursday, when the price was 285p, pending a statement on bid discussions. It was just a week ago that the company reported termination of talks with an unnamed concern, instigated at the end of September, and announced that talks were continuing with several other interested parties.

Table with columns: Company bid for, Value of bid, Market price, Price Value, Bidder, Final Acc'to date. Lists various companies like Abrasives Intl, Allied Polymers, Assam Fruct, etc.

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ** Date on which scheme is expected to become operative. *** Based on 15/12/77. †† At suspension. ††† Bid. §§ Estimated.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings* per share (p), Dividends* per share (p). Lists companies like Asst. Engineering, Baggeridge Brick, Barco Dean, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends* per share (p). Lists companies like A.S. Engineering, Aeromat & Gen., Asst. Bairies, etc.

Offers for sale, placings and introductions

Exchequer Stock: £900m. of 8 1/2 per cent. Exchequer Stock 1981 at 296.75 per cent. City of Leicester: £12m. of Floating Rate Stock 1982 at par.

Rights Issues

Cableform Group: One-for-ten at 50p each. Elbar Industrial: One-for-three at 100p each. LRC International: One-for-one at 10p each.

Anglo-Am. Asphalt falls £0.25m. at midyear

NOVEMBER for the six months to net per 25p share (0.97p). Last month 30, 1977, at Anglo year's total was 2,404 and pre-tax profit £1.55m. to £1.98m. and pre-tax profits dropped from £596,900 to £400,000.

Digby Burnell, the chairman, says the uncertain world climate which resulted in the North Sea and overseas in the latter half of last year, led to a fall in trading in the six months of the current year. However, there are signs of a rising activity.

Table with columns: Five months, Year, 1977, 1976, 1975. Lists financial figures for Anglo-Am. Asphalt.

Brunner Inv. earnings advance

AFTER expenses of £37,948 against £76,950 and tax up from £299,178 to £246,723, net earnings of Brunner Investment Trust for the year to November 30, 1977, are shown to have advanced from 3.05p to 3.58p per 25p share.

Total income was higher at £1,022,821 (£879,380) and the dividend total is raised from 2.95p to 3.55p net, with a 1.05p final. Net asset value increased to 124.5p (87p) per share.

Higsons Brewery Mr. K. R. Mackenzie, the chairman of Higsons Brewery, says in his annual statement that during the September 30, 1977 year, beer sales increased by 3 per cent despite the postponement of the He adds that the company's club trade continues to expand

Auditors qualify Oceana Hlds.

Auditors have qualified the annual accounts of Oceana Holdings, for the year to April 30, 1977, saying that pre-acquisition losses in a subsidiary amounting to £27,481 have not been written off to the profit and loss account, despite continuing losses by that company. They have been treated as goodwill arising on consolidation.

Advance by John Swan Live stock auctioneers and estate agents, John Swan and Sons reports pre-tax profits ahead of £136,000 to £141,800 for the half year to October 30, 1977, on turnover of £388,200 compared with £299,200. After tax of £73,700 against £70,700, first half earnings are shown to have risen from 38.9p to 40.5p per share.

UNIT TRUSTS

Two for the income conscious ANYONE LOOKING for income has two unit trusts offers to choose from this week. Both Arbuthnot, with its three-in-one scheme, and Schlesienger, with its Extra Income Trust, are inviting applications. Both offer investors a current gross yield of over 10 per cent - 10.8 per cent on average from Arbuthnot, allowing for the 1 per cent introductory discount, and 10.1 per cent from Schlesienger. Both offer investors a high incidence of dividend payments - six a year from the Arbuthnot scheme, four a year from Schlesienger. But thereafter the similarities come to an end. The yield on Arbuthnot's three-in-one scheme is as high as it is because two of the three funds which it comprises are substantially invested in fixed interest stocks. Arbuthnot Preference Share Fund, the really high yielder of the trio, has, as the

Large advertisement for ARBUTHNOT SPECIAL 3 IN 1 OFFER. Features 'SIX DIVIDENDS A YEAR GUARANTEED' and 'REGULAR INCOME TO MEET REGULAR PAYMENTS'. Includes a table of interest rates (11.0%, 11.9%, 9.7%) and a form for application.

APPOINTMENTS

Revertex Chemicals reorganisation

A new group organisation by REVERTEX CHEMICALS comes into operation from January 1 to develop responsibility for production and improvement of products and of new business within the group.

INTERNATIONAL FINANCIAL Handwerkerbank leasing operations in the red

A LOAN of Sw.Frs.15m. has been granted to Handwerkerbank, of Basel, by Swiss Bank Corporation to help cover losses incurred by a Handwerkerbank subsidiary, Leasing Leasing- und Verkaufs-AG.

Faber Merlin dips into loss

A DRAMATIC slump in operating profits from 6.16m. Ringgit to 1.27m. Ringgit—and a turnaround into losses at the net level are announced by Faber Merlin, the Malaysian hotel and property group.

GHH dividend twist

A DE FACTO dividend increase is proposed by Gutuhoffung-shette, (GHH) for its West German shareholders, as a result of the country's corporation tax reform.

GSA buys into Sullair Europe

SULLAIR CORPORATION is to sell about 43 per cent in Sullair Europe Corporation to Gutehoffnungshutte Stahlwerke Aktiengesellschaft (GSA), a West German machinery manufacturer.

ContiCommodity. OUR LATEST UPDATE ON LEAD. S AVAILABLE—WRITE OR PHONE. ContiCommodity Services Limited, World Trade Centre, London E14 6AA. 01-488 2232.

AMERICAN railroads discuss merger

NEW YORK, Dec. 16. Southern Pacific and Seaboard Coast Line, two major U.S. railroads, are examining a \$450m. merger which would link states across the country within a single railway network.

Exploration sale peaks

CHEVRON Standard (Standard of California) paid a record \$20,556 an acre at the Alberta Government land exploration permit sale in Edmonton for leases in the Bigway area of Pembina. The Bigway area is north of the estimated seven oil fields in the area.

COMMODITIES/Review of the week U.S. price rise rallies copper

MARKET REPORTS. BASE METALS. COPPER—Higher on the London Metal Exchange despite some bullish action in the morning which initially took the price to \$2.07 in 1977. But in the afternoon market participants responded to the rise in the Phelps Dodge price to \$2.07 in 1977. The net gain on the week was \$2.25. Turnover: \$2.99 million.

Table with columns: Commodity, Unit, Price, Change. Includes Wheat, Soybeans, Corn, etc.

U.S. Markets

Table with columns: Commodity, Price, Change. Includes Cocoa, Cotton, Rubber, Soybean Meal, Sugar, Grains.

FINANCIAL TIMES

Table with columns: Index, Value, Change. Includes FTSE 100, Dow Jones, etc.



Table of financial data including company names, stock prices, and market indicators.

Table of financial data, possibly related to the previous table, with columns for company names and values.

Table of financial data, continuing the list of companies and their respective market values.

Table titled 'LOCAL AUTHORITY BOND TABLE' showing interest rates and bond details for various local authorities.

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SPECIAL LIST

Business data in securities quoted to the Monthly Supplement.

RULE 163 (1) (e)

Bargaining marked in securities which are quoted or listed on an overseas Stock Exchange.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

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MONEY + EXCHANGES

Rise in bill rate

Bank of England minimum lending rate 7 per cent. The Treasury bill rate rose by 0.074 per cent. to 6.838 per cent.

EXCHANGES AND BULLION

The U.S. dollar showed mixed changes against other major currencies in the foreign exchange market yesterday.

GOLD MARKET

Gold prices were steady in the London market yesterday.

CURRENCY RATES

Exchange rates for various currencies against the U.S. dollar.

EURO-CURRENCY INTEREST RATES

Interest rates for Euro-currency deposits and loans.

U.K. CONVERTIBLE STOCKS 16/12/77

Table of U.K. convertible stocks with columns for name, size, current price, conversion terms, flat yield, red yield, premium, income, and cheap/dear status.

Table of financial data, possibly related to the previous tables, with columns for company names and values.

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STOCK EXCHANGE REPORT

Strength in Gilt-edged shows through with gains to 3/4 Shares quiet and index sheds 0.2 to 471.9—Breweries weak

Account Dealing Dates
Opinion
First Declared Last Account
Dealings from Dealings Day
Nov 25 Dec 8 Dec 9 Dec 20
Dec 12 Dec 29 Dec 30 Jan 11
Jan 3 Jan 12 Jan 13 Jan 24

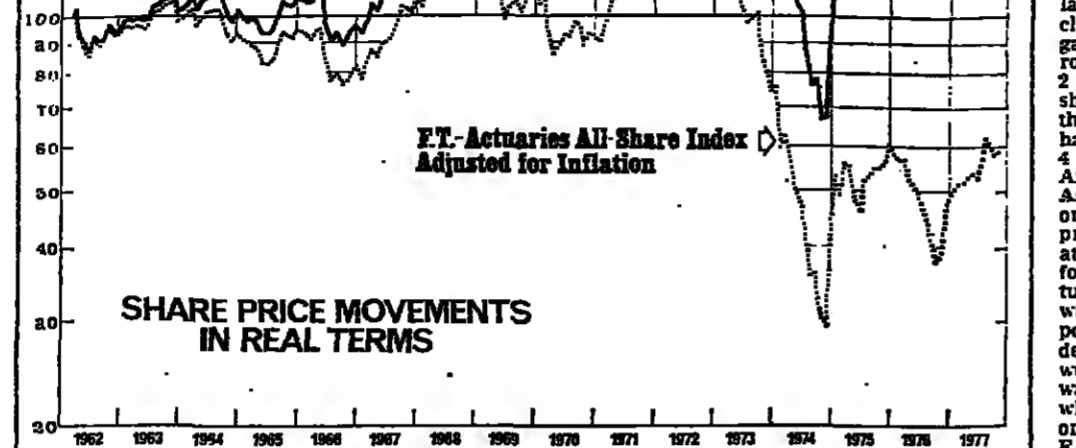
Shareless as expected, a small demand bringing a premium of 1/2 over the issue price of 96 1/2, but the surprising event of the day was the 3.30 p.m. announcement of an £800m. issue of new long tap, Treasury 10 1/2 per cent, 1999, at 95, only 1 1/2 payable on application.

7 to 25p, while Alfa Harvey and Ross, 50p, and Union, 45p, rose 10 and 15 respectively in Dis- television concerns.

EMI better
Helped by bear closing and some "cheap" buying, EMI made its first substantial advance (up 6 at 178p) since the sharp fall in the immediate vicinity when dealing resumed after the normal 45-minute recess and after Treasury 9 1/2 per cent, 1999, closed a net 1/2 lower at 88 1/2.

response to Press mention and Charley Ross moved up 3 to 39p on the interim results, proposed rights issue and dividend forecast. In contrast, Redman Heenan came on after after the results and gave up 2 to 51p.

Properties tended to improve as small selective demand developed. Hammerson A rose 8 to 10 1/2p, Lmry 8 to 30p, and Bernard Scales 6 to 17p. Chubbrey Estates scored a gain of 18 to 24 1/2p in a thin market, while Trafford Park improved 3 to 9 1/2p as did Apex to 25 1/2p. Land Securities hardened 2 to 20p. An early jump of 10 to 88p in Anston Holdings heralded a request from the company for a temporary suspension of dealings pending further details of a bid approach.



SHARE PRICE MOVEMENTS IN REAL TERMS
while yesterday's newcomer Leicester Variable 1982, held at £100 or par. First-time dealings also began in Inco 8 1/2 per cent. Notes, 1984, and 9 per cent. Debenture, 1992, both of which closed at 97 1/2, after 98 1/2.

Anglo-Am. Asphalt dip
After an extremely quiet business morning, Anglo-American Industrials managed to close a penny or so harder. Glaxo gained 3 to 57 1/2p, while Pilkington rose 5 to 47 1/2p. Bowater hardened 2 to 50p, but the overall level shed 1/2 to 127p. Second thoughts about Wednesday's first-half results brought a recovery of 4 to 192p in Wilkinson Match.

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YESTERDAY—

Table with columns: Stock, Denomination, Closing price, Change, 1977 high, 1977 low. Lists various stocks like Shell Transport, BATs Defd., ICI, etc.

ON THE WEEK—

Table with columns: Stock, Denomination, Closing price, Change, 1977 high, 1977 low. Lists various stocks like Shell Transport, BATs Defd., ICI, etc.

BASE LENDING RATES

Table listing various banks and their base lending rates, including A.B.N. Bank, Allied Irish Banks, American Express, etc.

ACTIVE STOCKS

Table listing active stocks with columns: Stock, Denomination, Closing price, Change, 1977 high, 1977 low.

RECENT ISSUES

Table listing recent issues with columns: Issue Price, Denomination, Date, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns: Issue Price, Denomination, Date, etc.

OPTIONS TRADED

Table listing options traded with columns: Dealings, Last, etc.

RIGHTS OFFERS

Table listing rights offers with columns: Issue Price, Denomination, Date, etc.

FT-ACTUARIES SHARE INDICES

Large table containing FT-Actuaries Share Indices, including Equity Groups, Sub-sections, and Fixed Interest Yields.

FINANCIAL TIMES STOCK INDICES

Table showing Financial Times Stock Indices with columns: Index, Dec 15, Dec 16, Dec 17, etc.

HIGHS AND LOWS

Table showing Highs and Lows for various stock groups.

RISES AND FALLS

Table showing Rises and Falls for various stock groups.

NEW HIGHS AND LOWS FOR 1977

Table showing New Highs and Lows for 1977 for various stock groups.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds, their managers, and performance metrics.

Table of Offshore and Overseas Funds listing various international investment funds and their details.

K.O. BOARDMAN INTERNATIONAL LTD. (Clothing Manufacturers)

Text block providing financial details for K.O. Boardman International Ltd., including profit and turnover figures.

Text block providing further financial details and company information for K.O. Boardman International Ltd.

Table titled 'CLIVE INVESTMENTS LIMITED' showing various investment products and their values.

Table titled 'INSURANCE BASE RATES' showing rates for different types of insurance.

Advertisement for 'The Army Benevolent Fund' with the headline 'The war that never ends'.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from different providers.

